

Party's deputy chairman 'fell into a trap'

Archer quits over pay-off to prostitute

By Robin Oakley, Political Editor

Mr Jeffrey Archer, the millionaire novelist, yesterday resigned as deputy chairman of the Conservative Party in bizarre circumstances.

My resignation as deputy chairman of the Conservative Party...

end to one of the most remarkable political comebacks in years. In 1969, he had a brilliant political career beckoning when entering the Commons at the Louth by-election as the then youngest MP.

Archer background 2 How much harm 16 Leading article 17

He then restored his financial fortunes by writing a series of best-selling novels which have made him a millionaire several times over.

On that occasion Mr Archer resigned for fear of being made bankrupt and so embarrassing the Tory party.

Tomorrow

Forked tongues...



Bernard Levin sees fanaticism as the enemy of those who wish to preserve the Welsh language

Portfolio Gold

The Times Portfolio Gold weekly competition prize of £8,000 was won on Saturday by Miss V. Gahan of Hendon, N.W. London.

Gas cloud

Five chemical workers were taken to hospital, one of them critically ill, after a fire at an ICI plant caused a massive gas cloud to sweep over part of Middlesbrough.

PAY DEALS DROP

Indications that pay rises are slowing down came with Confederation of British Industry figures that average settlements in manufacturing industry dropped from 6 per cent to 5 1/2 per cent in the third quarter. Their lowest level for three years.

Derby draw

Manchester City and Manchester United, struggling at the bottom of the first division, drew 1-1 at Maine Road.

Table with 2 columns: Home News, Law Reports, etc.



Mr Jeffrey Archer and his wife Mary arriving at their home yesterday (Photograph: Leslie Lee)

Syrians rail at Britain

From Robert Fisk Cairo

Syrian fury at Britain's allegations of the country's involvement in last April's El Al bomb plot exploded in a series of angry threats from Damascus yesterday but failed to set off the intended chain reaction of support in the rest of the Arab world.

Support sought

Britain will be looking for a strong public expression of support for its decision to sever diplomatic relations with Syria when Sir Geoffrey Howe, the Foreign Secretary, briefs the other EEC foreign ministers in Luxembourg today on the evidence linking Syria with terrorist activities.

Russians want fee for Tokyo flights

By Harvey Elliott, Air Correspondent

Russia is demanding up to 5 per cent of all income earned by British airlines from their planned non-stop service to Tokyo - in return for allowing planes to fly 4,350 miles through Soviet air space.

MPs urge visitor ban after near-miss

By Harvey Elliott Air Correspondent

An air traffic controller who missed seeing two British Airways jets heading for each other on collision course could have been distracted by visitors who were peering into his radar screen and listening to his radio.

Mansell left to rue his burst tyre

Nigel Mansell, the British racing driver, dramatically lost his chance of winning the world Formula One championship in Adelaide yesterday when one of his tyres burst during the Australian Grand Prix and he was forced to retire.

A million Africans are set to die from Aids

By Thompson Prentice, Science Correspondent, Kinshasa, Zaire

A million people in Africa will die from acquired immune deficiency syndrome (Aids) in the next few years and several million are already carriers of the lethal virus, according to a new report by world experts.

Millions to go on new campaign

By Jill Sherman

The Government is to spend millions of pounds to extend its campaign against Aids, which is seen by Mr Antony Newton, the Minister for Health, as his top priority.

£15m still needed for tunnel

By Richard Thomson Banking Correspondent

Negotiations to persuade potential investors to commit money to the Eurotunnel project continued over the weekend, as the Wednesday deadline neared for the £206 million financial arrangement.

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Nervous start to Big Bang

By Richard Thomson Banking Correspondent

Thousands of nervous money men took an earlier train this morning in time for the start of the City's new era. Many had spent the weekend checking the new technology on which the profitability and even the existence of their companies now depends.

Leading article 17

Special Report 27-42

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NEWS SUMMARY

MP ends action over 'Panorama'

Mr Neil Hamilton, one of two Conservative MPs awarded damages and costs against the BBC last week in the Panorama libel action, said yesterday he would not proceed any further against Mr Philip Pedley, the chairman of the Young Conservatives at the time of the programme.

Threats end swap Sun man expelled

The National Union of Journalists' national executive has confirmed the expulsion of a member who joined The Sun as industrial correspondent after the newspaper's move to Wapping, east London.

'Lamb war' report

Sir Geoffrey Howe, the Foreign Secretary, has been sent a detailed report of the latest incidents in the 'lamb war' with France, and will raise the issue at a meeting of EEC foreign ministers in Luxembourg today.

BBC gets top films

The multi-Oscar winning Out of Africa, with Meryl Streep (right) and Robert Redford, and Steven Spielberg's Back to the Future, starring Michael J Fox, are among a package of films to be shown on BBC television, it was announced today.

Tunnel complaint

Solicitors acting for the Channel tunnel consortium, Eurotunnel, have complained to Flexlink, the umbrella organization fighting the tunnel, about an advertising campaign designed specifically to undermine City confidence in the £4.7 billion project.

Stalker's deputy is to leave police force

The senior detective chosen by Mr John Stalker as his deputy on the long-running investigation into allegations of a Royal Ulster Constabulary 'shoot to kill' policy is retiring from Greater Manchester Police next month.

The cold war against pain

Advertisement for PR Spray, a fast-acting pain relief spray. Includes an image of the product and text describing its benefits for various types of pain.



Allegation 'hawked' around Fleet St' Jeffrey Archer, rarity who fuelled the nation's gaiety

The fall and rise and fall again of Jeffrey Archer is a story that would have the critics shrieking "wildly improbable" if he were ever to have offered it in one of his novels.

There are two Archers: one relentless for success, one a quietly loyal friend. Educated at Wellington School, Somerset, and Brasenose College, Oxford, Jeffrey Archer became a successful athlete, eventually running for Britain and holding the Oxford record for the 100 yards.

The political pitfalls of life at the top. House of Lords, after he had confessed to having casual affairs with girls from escort agencies.

Loneliness and exhaustion is said to have much to do with it. As for encounters with prostitutes, politicians are arguably more likely to encounter the opportunities.

Remarks he made about the conduct of a sex case led Scottish Solicitor General Mr Nicholas Fairbairn to resign in 1981, but most MPs believe that he would not have had to go if it had not been for his earlier affair with a House of Commons secretary, who tried to commit suicide at his London flat.

Later editions of the group's Sunday Mirror and The People, carried denials of any deal. Mr Robert Maxwell, the publisher, was quoted as saying: "This allegation is a lie designed to justify the News of the World's payment to a prostitute who has co-operated with them in an act of entrapment for the purposes of writing a sensational story."

Even though he denies the allegation that he had any contact with a prostitute, Jeffrey Archer has become the latest victim of the phenomenon.

The scandals in British politics are generally about money when they involve the Labour Party and sex when they involve the Conservatives. Certainly there have been enough examples in recent years.

Psychologists say the main reason politicians become involved in such situations is that many are men of great drive and ambition, which is frequently associated with a high sex drive.

On Wednesday, backbenchers on both sides of the House will vent their anger in the Commons. Several believe the Government will find its position untenable.

Piping to victory

The wailing sound of pibrochs wafted around Blair Atholl in the Highlands at the weekend, as leading bagpipe players gathered for the world piping championship.

Thatcher faces new battle on Westland

A document dissecting the Government's formal reply to the defence select committee's report on the Westland affair suggests that the Government faces a rough ride when the subject is debated in the Commons on Wednesday.

The political pitfalls of life at the top

House of Lords, after he had confessed to having casual affairs with girls from escort agencies. Also in 1973, Lord Lambton, then Parliamentary Under Secretary for the RAF, resigned both his ministerial post and his seat in the Commons over his association with the prostitute Norma Levy.

Knowsley North by-election

World of crime and poverty. A map of Knowsley North showing built-up areas and parks. Includes text about crime statistics in the constituency.



The Asbach Story

Advertisement for Asbach Brandy. Includes text about the brandy's history and quality, and an image of a bottle and a glass of brandy.



# Women's employment 'strengthened' by tribunal job-share rule

By Frances Gibb, Legal Affairs Correspondent

A health visitor has won the right to return to work on a job-share basis after having a baby.

The industrial tribunal ruling is being seen by the Equal Opportunities Commission, which backed the woman in her claim, as a significant step in the strengthening of women's employment rights.

The tribunal in Glasgow was held unanimously that Mrs Marie Carey was unlawfully discriminated against when the Greater Glasgow Health

Board, her employer, refused her request for a job-share.

The tribunal has called on the board to alter the terms and conditions of her contract so that she is not required to work for more than three days or part of three days each working week.

The requirement to work every day was unjustifiable and "caused detriment" to her in terms of child care arrangements and travelling, the tribunal held.

Mrs Carey, who worked full

time for the board until she went on maternity leave, had asked to come back on the basis of sharing a full-time post with another health visitor, to be chosen by the board.

She said she knew two prospective candidates who were willing to take part in such a scheme.

The board offered her part-time work of between seven-and-a-half and 20 hours a week, but that would have involved Mrs Carey working every day, either mornings or afternoons.

She said she was willing to accept the part-time job but only on the basis that she worked a full day, two and a half or three days a week, because she relied on her mother eight miles away to look after the baby and the long hours and travelling involved made working every day impracticable.

The board rejected her proposal, saying: "Health visiting is a speciality in which it is necessary... to have health visitors work on part of each day Monday to Friday so that continuity of client contact is maintained."

Health visitors had to be available to attend case conferences and daily visits might be needed where there were cases of suspected child abuse, the board said.

It accepted, however, that weekends were covered only on an emergency basis.

Mrs Carey maintained that patients would not be shared. Each health visitor would have her own case load. She said that if needed when not on duty, she would make herself available.

In its findings the tribunal said that Mrs Carey was interested in her job and wanted to continue with it. If she worked only half time she would earn only half as much but that "she saw this as a price she was willing to pay in order to continue with her career on the one hand and to look after her family in the best way possible on the other hand".

The tribunal echoed the important ruling in 1984 against the Home Office in favour of women being allowed to come back to work part-time after a baby, when it said it was an accepted fact that "in our society women are usually those who have the greatest responsibility for the care of extremely young children".

## Drive to extend right on age of retirement

By Peter Evans and Frances Gibb

A test case on the retiring age for women, and proposals for strengthening the present law on equality are among moves by the Equal Opportunities Commission to speed up legislation against discrimination at work.

The hearing in the Court of Appeal, due on February 17, is expected to come ahead of a Bill before Parliament to give women in private jobs the right to retire at 65.

The Bill, to amend the Sex Discrimination Act, will not come into force until the summer of 1987 or even later, the commission says, and it wants to cut the delay.

The case concerns Mrs Peggy Duke, retired at the age of 60 by a multinational company. Her claim that Reliance Systems, part of the GEC group, discriminated against her because she is a woman was rejected by an employment appeals tribunal.

Women working in the public sector have already won the right to retire at the same age as men, the commission says, because of the victory won by Miss Helen Marshall, a Southampton dietitian.

She took her former employer, the South-west Hampshire Area Health Authority, to the European Court of Justice on a charge of unlawful sex discrimination, having been forced to retire at 62, while male colleagues worked on to 65.

Meanwhile a statutory minimum award of compensation is among proposals in a package which the commission has put forward to strengthen the present equality laws.

Compensation awards for sex discrimination are at present very low and fail to reflect the seriousness of the discrimination for the individual, it says.

The commission also wants power in some circumstances to order changes to practice or

The six-week period of appeal allowed to Sogat '82, the print union, against non-discrimination notices served by the Equal Opportunities Commission runs out this week.

The notices were served on September 16 on the union and its London Central branch and the Greater London branch, formerly the London Women's branch.

The Commission says it was made aware in 1978 of practices that seemed to be unlawful because they excluded women from the best jobs.

A formal investigation centred on the extent to which job segregation was reflected in the organization of Sogat members into two separate branches, one wholly female and the other predominantly male.

The commission has outlined its proposals for change in a consultative document in the light of 10 years' experience of administering the Sex Discrimination Act 1975 and the Equal Pay Act 1970.

Legislating for Change? - Review of the Sex Discrimination Legislation (EOC, Overseas House, Quay Street, Manchester M3 3HN, free).

## 'Poor diet due to lack of choice'

By John Young, Agriculture Correspondent

Mrs Edwina Currie may consider that people in the north of England eat the wrong things through ignorance, but a survey published today suggests that it is at least partly due to lack of choice.

The survey by the Socialist Health Organisation, with the assistance of Mr Brynmor John, the Labour Party's agriculture spokesman, found that the range of choice was more closely linked to social class than to region.

There was a consistent tendency for stores catering for a largely working-class clientele to offer a poorer selection of healthy foods.

There were, however, two cases in which there was a significant regional variation.

Low-fat sausages could be bought in nearly fourth-fifths of stores in London and the South, but in only half those in the rest of the country. Low-fat mince could be bought in more than two-thirds of stores in London, the South and the Midlands, but was unavailable in nearly four out of five of those in the North, Wales and Scotland.

Even when low-fat or sugar-free foods were available, the range of choice was often restricted. There might be only a single sugar-free muesli or one or two low-fat cheeses.

The survey also claims to show "beyond any doubt" that the healthy version of most foods tends to cost more, sometimes substantially more. "So long as this price differential exists, there cannot be said to be a true freedom of choice for those on low incomes," it says.

In another survey, by the Euromonitor research organization, concern about healthy diets was found to be greatest among women aged between 35 and 44 in the higher social groups. Of those who had altered their eating habits, 72 per cent had increased their intake of fibre and 63 per cent were eating more fresh fruit and vegetables.

More than half had reduced sugar consumption and 52 per cent were using less salt. In the dairy sector, consumption of skimmed milk increased by 1,400 per cent between 1980 and 1985 and low-fat spreads by 100 per cent. In the same period butter consumption fell by 30 per cent.

## Teachers angry at threat to coaching

Teaching unions reacted angrily yesterday to Birmingham City Council's threat to discipline primary school teachers who give extra-curricular help to children seeking places in the city's grammar schools.

Mr Leslie Byron, chairman of Birmingham education committee, said that the threat of disciplinary action came after complaints from some parents that brighter children were getting "preferential treatment".

Brent to consider plea over race case

Brent councillors will today begin to consider their reply to a personal appeal from Mr Kenneth Baker, the Secretary of State for Education, to reinstate Miss Maureen McGoldrick, the headmistress suspended for an alleged racist remark (Nicholas Wood writes).

Last week a High Court judge ruled that the Labour-run borough was not entitled to pursue its allegations against her after she had been cleared by the governors of Sudbury Infants School.

Today, a letter from Mr Baker will land on the desk of Mr Forster. It says Mr Baker is "most concerned" about the "uncertainty" surrounding the head's position and adds that the interests of children at her school are being put at risk.

Irrespective of whether or not the council decides to appeal, he asks the authority "carefully and sympathetically to consider his view, on the evidence available to him, that it would be right now to reinstate Miss McGoldrick".

## Bank breaks ranks on debit cards

A new style of shopping starts in May for customers of Barclays Bank, the first British bank to introduce a nationwide debit card to be used instead of a cheque book.

Barclays hopes the new card, code-named Project Decimal, will prove as big an innovation as credit cards did 20 years ago.

In launching the debit card, Barclays has stolen a march on the big clearing banks, whose £500 million joint electronic card debit system, Eftpos (electronic funds transfer at the point of sale), will not be ready until 1988.

Barclays says it is still taking part in Eftpos, which is similar to the American system, and that the debit card will be compatible with it.

The bank's competitors are not in a position to come up

with a rival system immediately. The Midland Bank said it seemed Barclays was striking out on its own, when all the other banks had been working on a national computerized card system.

The new card was secret until The Sunday Times yesterday published details of Project Decimal, prompting an official announcement. Barclays plans to issue a million cards to its seven million customers in the first year.

Customers will present their cards to the retailer who will be able to telephone the bank to check the account is in credit. The cost of the purchase will then be debited directly from the account.

The card's size and shape will resemble the existing Barclaycard, and extra staff will be taken on to handle

transactions from the Barclaycard centres at Northampton, Leeds, Manchester, Teesside, Liverpool and Birmingham.

Barclaycard will do the processing and authorization, then administration will be handled in the usual way by the banks. Statements and charges will be the same.

A spokesman for the Birmingham Money Advice Centre said she had reservations about the new card. "It's definitely a move towards a cashless society, but I don't think it will encourage people to spend more, because it is not a credit card."

"I can see some dangers though. The further you get away from cash, the harder it is to budget, especially if you are on a low income."



Mr Roger Foreman and Miss Cathryn Townsend setting off from Brighton yesterday on a 6,700-mile round-Britain walk to raise money for the British Heart Foundation. The couple, from Forriade, East Sussex, aim to complete their journey in a record 40 weeks and raise £10,000. (Photograph: John Williams).

## Judge may challenge Hailsham

By Our Legal Affairs Correspondent

Judge Pickles stepped deeper into controversy yesterday with a statement in which he says he is prepared to take legal proceedings against Lord Hailsham of St Marylebone, the Lord Chancellor.

The judge, known for his criticisms of the system of appointing judges, has taken up the case of the dismissal of a recorder, Mr Mann Nanan, which is now under review.

The Lord Chancellor's decision is likely to be known within the next month and Judge Pickles said he will be prepared to help challenge it, if necessary, in the courts.

"I have told Lord Hailsham that in pursuit of justice for the man concerned I am prepared to co-operate (in my private capacity) in an application to the High Court for judicial review," he said.

He added that he would also go to see the Prime Minister to put "all the facts to the public", who "are entitled to know what went wrong". In his view, Mr Nanan had until now been unjustly treated.

"Lord Hailsham, whose many virtues are not headed by humility or self-criticism, operates a system of appointing judges and similar office holders which is wrong."

The judge's statement to The Times comes after a report that a direct quote from him has been removed from a BBC2 television programme, Hailsham's Law, to be broadcast next Wednesday.

The quotation, taken from a radio interview with the judge in the spring, attacks the way judges are chosen. It has been taken out after discussions with the Lord Chancellor's Department.

In it the judge said: "The fact is that most of us do come from a narrow privileged class. It would be better if the bench could be drawn from all sections of society and that tends not to be so."

The BBC confirmed yesterday that it had been taken out. But it denied that the Lord Chancellor's officials had objected. "That is too strong a word," it said.

"There was no prior agreement to show the department the script but the producer did so as it had been helpful. It then made a few points and we agreed to make this change which was considered minor."

The spokesman added that the judge's point had been retained but incorporated in the programme narrative.

Yesterday the Lord Chancellor's Department was not available to comment.

But Judge Pickles said that if the Lord Chancellor had sought his removal, it was not "the first time that Lord Hailsham has tried to suppress my views".

The judge added that he had been due to take part in a live BBC1 studio discussion based on "Hailsham's Law" on the following Thursday but that it had been cancelled.

The BBC said, however, that the producers decided "something lighter" was needed.

## Car buyers losing £100m

By Our Home Affairs Correspondent

Used car buyers lose about £100 million a year as a result of "clocking" - fraudulent reduction of the mileage recorded by the odometer - according to Crime UK, an economic, social and policy audit, published today.

Mileage monitoring systems run by local authorities indicate that a fifth to a third of all used cars are clocked.

"This figure increases to half for relatively new but high-mileage cars which have been part of sales representatives' fleets," Mr Tony Key, a freelance economic consultant, writes.

Clocking is estimated to increase the price of a used car by about £30 for every thousand miles of reduction.

In 1984, trading standards departments of metropolitan counties bought 11 cheap used cars and carried out a full engineer's inspection. Several were judged to be worth only a fraction of the price paid, not

## Cost of fraud

an offence under consumer protection legislation.

"But, far more seriously, all were found to be in a dangerous and unroadworthy condition," he says. Selling them was an offence.

In the West Midlands, the submission of 20 cars by trading standards officers for routine servicing led to Trades Descriptions Act proceedings against 12 garages on the ground that work charged for had not been done.

Crime UK says that, as a nation, we spend about £8.7 billion a year dealing with crime. It describes three main categories of fraud in local government:

- Bribery and corruption, usually involving council members or senior officers;
- Misappropriation, usually by junior employees;
- Extortion, typically by suppliers or client groups.

Michael Dallas, of Coopers & Lybrand, chartered accountants and management consultants, says the nature of corruption, which makes it so difficult for auditors and others to detect, also means it is difficult to prove.

Referring to misappropriation, Mr Dallas says that since 1979-80 local authority frauds had been rising steadily.

Extortion was most common. There were worrying frauds by ratepayers or clients of the authority. Further education awards paid to students had long been open to abuse.

Housing benefits have become a target for fraud and abuse. Most arise in respect of "certificated" cases: those where the Department of Health and Social Security has certified to the local authority that the person concerned is entitled to the benefit.

Crime UK (Policy Journals, Hermitage, Berks RG16 9SU; £19.50).

## Games company facing liquidation

By John Goodbody, Sports News Correspondent

Mr Robert Maxwell may put the Commonwealth Games organizing committee into voluntary liquidation today because the Government has again refused money to help wipe out the £3.5 million deficit on last July's games in Edinburgh.

Two weeks ago, Mr Maxwell, chairman of Commonwealth Games (Scotland) 1986 Ltd, said he was seeking

"substantial" help from the Government.

Despite a personal letter to the Prime Minister, the Government has not shifted from its consistent stance that the games should be self-financing. Mr Maxwell's plan was that the deficit on the running costs should be shared between the Government, Mr Ryoichi Sasahara, a Japanese philanthropist, and one of Mr Maxwell's companies.

At the last meeting of the company, a fortnight ago in Edinburgh, Mr Maxwell said that the deficit had been cut by £800,000 from £4.3 million because "certain charges were found non-acceptable". Those came from two large creditors, Edinburgh District Council and Edinburgh University.

Both are disputing that.

## Portfolio Gold - Clerk will invest winnings

A clerk is the sole winner of Saturday's daily Portfolio Gold prize of £8,000. There were no winners on Friday.

Miss Vivienne Gahan, aged 22, from Hendon, north London, has played the Portfolio Gold game for two months.

"I am shocked and stunned," she said.

Miss Gahan said she would use some of the prize money to take her family on a holiday. "I'll invest the rest," she said.

Four readers share the weekly Portfolio Gold prize of £8,000.

Mr James Gillow, aged 67, from Shipley in West Yorkshire, said he could not believe his luck.

Mr Gillow, a retired company secretary who celebrates his birthday today, said: "The money is a nice surprise present from The Times."

"It will be useful to buy additional things needed in the family," he said.

Mr Ian Douglas, aged 52, a dispatch rider from West Croydon, in south London, said: "It is a shock. It has come out of the blue."

He said that he intended investing his winnings.

The other winners are Mr Graham Price, aged 39, from Retford, Nottinghamshire and Mrs Frances Goodwin, from west London.

Readers who wish to play the game can obtain a Portfolio Gold card by sending a stamped addressed envelope to: Portfolio Gold, The Times, PO Box 40, Blackburn, BB1 6AJ.

Miss Gahan, who plans to rest and invest.

## Jockey dies

Mr Bill Tellwright, aged 59, a former amateur National Hunt jockey and former steward at Uttoxeter race course, has died in hospital in Staffordshire after being seriously injured in a fall from a horse.

# Guess who was first to congratulate The Williams Team?

At Cellnet, we were on the line as soon as Canon Williams Honda clinched the World Constructors Championship in Portugal. Now the season's over, we'd like to put our congratulations in writing. As the only cellular phone system backed by British Telecom and Securicor, we're pleased to supply all the mobile communications for Nigel Mansell, Nelson Piquet and Williams Grand Prix Engineering. To find out how we can help drive your business forward, call Freefone Cellnet.







# Patten clears way for private sector cash funding rented homes

By Christopher Warman, Property Correspondent

Government plans to make it possible for private funds, particularly from building societies, to be used to expand privately rented housing, are to be announced this week by Mr John Patten, Minister for Housing, Urban Affairs and Construction.

In speeches to three conferences — organized by the National House-Building Council, the National Housing and Town Planning Council, and the British Property Federation — he will link the main themes of Government housing policy, emphasizing value for money, the need for choice and that in the rented sector the tenant, local authority or private owner, must be consulted.

He is also expected to deal with the problem of homelessness, but more public money is unlikely.

The latest request to land on his desk is the call for an increase of 10 per cent in the funding of housing associations to reflect the need for housing provision, not only in the inner city stress areas but throughout the country, in the light of a decline from £927 million in 1982-83 to £660 million in 1986-87.

The National Federation of Housing Associations, with all-party backing, has written both to Mr Nicholas Ridley, Secretary of State for the Environment, and Mr Patten in the hope that some increase might be considered as government departments prepare

their submissions before November's public expenditure statement.

Ministers are aware of the needs of the different parts of the country, and there have been discussions with the Housing Corporation, the housing associations' funding body, to hear their case.

On the financial side, there is no indication at present that the Government may relax its restriction on the amount of money that local authorities can use from sales of council houses.

Capital receipts from sales now stand at about £6.5 billion, of which £3.5 billion are in cash. Councils are allowed to use up to 20 per cent of their receipts each year, retaining the remainder to accrue interest, pay off debts and reduce the need for borrowing.

Mr Ridley has made it clear that he shares the Treasury view that to free a greater proportion for housing would be inflationary.

There is one area, however, in which the housing associations detect a chink of light, and that is in the joint public and private funding of rented housing.

The Treasury has recently given approval to a scheme in Cardiff which is seen both as a loosening of the financial strictures by the Treasury and as an unofficial blueprint for the Government's "right to rent" policy which was announced by Mr Patten at

the Conservative Party conference.

Under the £15 million scheme, Cardiff City Council, two housing associations and the Halifax Building Society will combine to provide up to 700 houses on a 36-acre site.

Work could begin early next year, and it is envisaged that there could be 300 completions in the first year. The houses, with three and two bedrooms, and one-bedroom flats, are to be let on "assured tenancies" which give security of tenure but are free of rent control.

Until now any scheme involving private sector finance received no Housing Corporation grant, but the breakthrough is that the public stake will be around 30 per cent.

The Conservative-controlled council will lease the site and provide the infrastructure, amounting to about £1 million, while the Wales and West Housing Association and the Secondary Housing Association for Wales will contribute £3.5 million, and the Halifax the rest on an index-linked loan.

The council approached the associations because it could not afford to build on the site, and Mr Nicholas Edwards, Secretary of State for Wales, added his support.

Between them, they persuaded the Treasury to approve it, and most of the homes will be let to people on Cardiff's 4,000 waiting list.

# Prince may offer solutions

By Charles Kneivitt, Architecture Correspondent

Security in the home, self-billed housing, homelessness and the inner cities will be the four main topics under discussion in London tomorrow when the National House-Building Council stages its fiftieth anniversary conference on "New Ideas in Housing".

Mr Douglas Hurd, the Home Secretary, will share the platform with an "expert" on how home-owners can protect their property: a burglar whose presence is subject to availability.

Mr John Patten, Minister for Housing, Urban Affairs and Construction, will announce new measures to help Britain's 10,000 homeless families living in bed-and-breakfast accommodation.

even though they represent a tiny proportion of an estimated 300,000 people, or 200,000 families homeless in England alone.

Mr Michael Heseltine will be endorsing one of the main recommendations of the Duke of Edinburgh's controversial report on housing, published last year, which was instantly dismissed by the Prime Minister as electorally unsound.

But most attention is likely to be focused on the keynote address by the Prince of Wales, who likes to offer practical solutions based on his personal experience in visiting schemes around the country.

Since his advocacy of community architecture in a speech at Hampton Court Palace two years ago, the

Prince has made a point of visiting projects where the occupants are involved in the process of decision-making, design and management of their homes and estates.

He believes that a "bottom up" approach to regeneration can help to rebuild a sense of community as well as result in improved living conditions, and that it has the advantage over the "top down" approach adopted by Mr Heseltine and the Government, such as new urban development corporations, in extending rather than denying local democratic control.

In addition to visiting housing co-operatives in Liverpool and the self-help and self-build schemes in Black Road, Macclesfield, the Prince has also made a private tour of run-down council estates in south London and discussed a local action group's opposition to plans by the British Waterways Board and Hunting Gate, the developers, for Limehouse Basin in the East End of London.

He has appointed community architects for two duchies of Cornwall projects, a village hall at Curry Mallet, in Somerset, and for the refurbishment of the Newquay House Estate in Kennington, near the Oval in south London.

Self-build housing, where owners can save about a third on costs as well as learning new skills which can sometimes lead to full-time employment, are known to have impressed the Prince in his visits to the Zen Zele scheme in Bristol earlier this year, and to the Colquhoun Street project in Stirling three weeks ago.

Both schemes represent a new type of partnership between the local authority, banks and building societies, and the Department of Health and Social Security, which has, in effect, guaranteed the mortgage repayments for unemployed self-builders.

The contribution which self-build could make to the problem of homelessness and inner city regeneration has been underestimated in the past, for past year self-builders were the second largest house builders in Britain, behind Wimpey.

The NHBC has been reluctant, so far, to acknowledge that self-build homes are often better constructed than some of those erected by professionals, by refusing such projects its 10-year warranty.

A willingness to take self-builders under its wing may, in a few years' time, be seen as the most important outcome of its fiftieth anniversary conference.

# Heseltine to back curb on mortgage relief

By Nicholas Wood, Political Reporter

Mr Michael Heseltine will tomorrow set out his personal manifesto for the next phase of Conservative rule by arguing for drastic curbs on tax relief for mortgages and pension funds to release the cash to tackle unemployment and inner city blight.

In his most important speech since his resignation over the Westland affair, the former Cabinet minister will blame the Treasury for the country's economic and social ills.

He will claim that the £8 billion a year subsidy to home-owners and companies has behind soaring house prices, the credit boom, unsettling the financial markets, and the widening gulf between the North and the South.

He will call for a big shift in policy to switch resources into wealth-creating activities, such as rebuilding the inner cities and creating jobs through revitalized regional development programmes.

The former Secretary of State for Defence will outline his version of *The Next Move Forward*, the theme of the recent Conservative Party conference, at the National House-Building Council conference.

Mr Heseltine will contrast the Government's preferred objective of cutting income tax to 25p in the pound with other options.

He will say it is possible to cut taxes by 1p, keep mortgage relief for first-time buyers and existing borrowers, and still release enough money to double spending on regional and urban programmes.

The cash would come from



Mr Heseltine, who will set out his personal manifesto...

phasing out relief for people taking out new mortgages to move up the property ladder.

Mr Heseltine said yesterday: "The urgent need is to switch resources to urban and industrial regeneration and to get a better balance between over-heating the South, with all the consequent environmental damage, and underuse of the North and the Midlands."

"It is not the market that is doing all this. By incentives such as mortgage and pension relief the Treasury is providing a huge subsidy that is force-feeding the South-east and sucking the economic resources of the country southwards."

Mrs Thatcher has ruled out ending tax relief on mortgages and both the Labour Party and the Alliance are committed to keeping it at the standard rate of income tax.

# Complaints over Wapping article rejected

The Press Council has rejected a complaint that *Sunday Today* inaccurately described an activist at the Wapping disturbances as the editor of a left-wing newspaper and gave him vulnerable to right-wing attacks.

A feature about the east London disturbances claimed to describe how one of Britain's bloodiest industrial conflicts was affecting civilians in the front line.

It reported that Mr Ian Bone was a highly vocal figure often seen at demonstrations outside the News International plant. Mr Bone, the article said, was editor of *Class War*, an ultra-left magazine which advocated mugging,

shoplifting and assaulting the police. The article, by Simon Worthington and Andrew Moger, described how they tracked Mr Bone to a council flat in Hackney, east London, and said which floor the flat was on.

Mr Bone complained to the council that it was untrue he was the editor of *Class War* and unnecessary to give a detailed description of where he lived. He believed it was done deliberately to encourage political extremists of the right to be able to find and attack him.

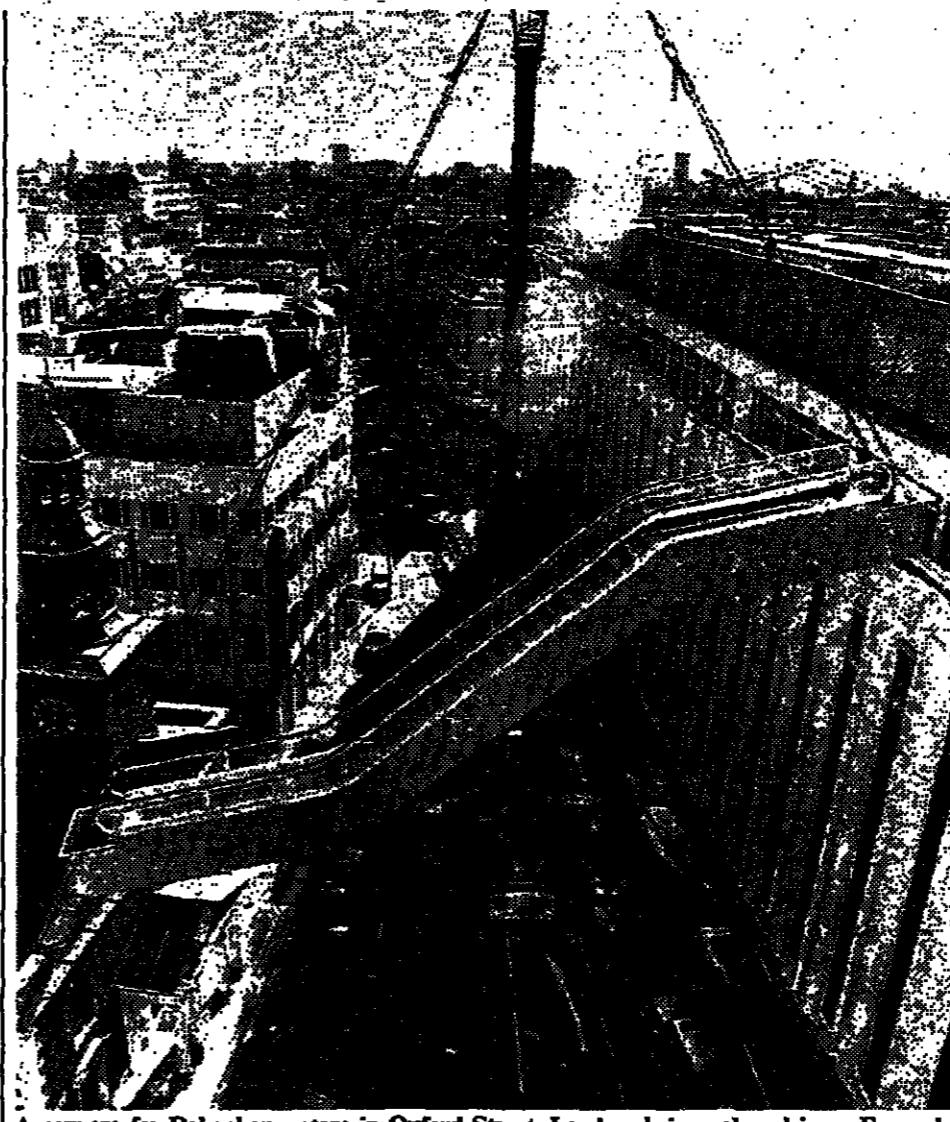
Mr George Darby, managing editor, denied the address was published to encourage personal attacks.

Mr Darby said while Mr Bone might not recognize the title of editor of *Class War* it was true that he was its originator and remained a potential influence on it.

The council, rejecting the complaint, emphasized that it is not good newspaper practice to publish detailed addresses of people likely to be at risk of an attack on themselves or their property.

The council did not find it a significant inaccuracy to refer to Mr Bone as the editor of *Class War* and that complaint was also rejected.

The council rejected a complaint, made by Mr James Johnston, about an article in



A new era for Debenhams store in Oxford Street, London, being ushered in as Europe's tallest mobile crane lowers one of six of the longest free-spanning escalators yet built into an atrium as part of extensive modernization (Photograph: Chris Harris).

# BBC radio set for a shake-up

By Jonathan Miller, Media Correspondent

The BBC has launched a wide-ranging management review of its radio broadcasting activities as it prepares to deal with a Green Paper that will advocate a sweeping liberalization of radio broadcasting finance.

The Green Paper, expected before Christmas, is understood to advocate a redefinition of the concept of "public service broadcasting" that has governed all British broadcasting since the establishment of the BBC in 1922.

Among the proposals likely to be included is a call for one or more new independent national radio services to compete with the BBC's monopoly of national broadcasting.

The new managing director of BBC radio, Mr Brian Wenham, is reported to have been shocked to find, when he took over earlier this year, that the BBC's management system was unable to provide basic information about the relative costs of its four national radio networks and chain of local radio stations.

Although the BBC has not been shown drafts of the Green Paper, it is clear that Broadcasting House fears that it may endorse the recommendation of the Peacock Committee on broadcasting finance: that Radio One and Radio Two should be sold.

The BBC is preparing to mount a tough defence of its rights to operate those mass-appeal services.

It is understood that a preliminary conclusion of the BBC's own review is that such a move would save little money, while at the same time it would impose on radios Three and Four the need to go "down market".

That, in the view of Mr Wenham, would alter fundamentally the character of the two prestige radio services.

One theme of the Green Paper is expected to be the need to put independent local radio on to a more secure financial footing by easing the "needle time" limits that restrict the amount of recorded music that they may broadcast.

Another is expected to be a recommendation for a drastic cut-back in the power of the Independent Broadcasting Authority, which is seen in Whitehall as exercising its regulatory power over radio with far too heavy a hand.

New legislation to authorize the establishment of community radio stations is expected to be urged by the Green Paper, reflecting the belief in the Home Office that the 1949 Wireless Telegraphy Act does not provide a legal framework for such a service.

# Scientists boycott Star Wars project

By Pearce Wright, Science Editor

More than 500 senior British scientists from 20 universities have signed a pledge boycotting research for the American Strategic Defence Initiative, popularly known as Star Wars.

They include 22 fellows of the Royal Society and three Nobel prize winners: Professors Anthony Hewish and Brian Josephson, of the Cavendish Laboratory, Cambridge, and Professor Abdus Salam, of Imperial College, London.

The scientists launched yesterday the Co-ordinating Committee of the British Star Wars Research Boycott, in support of more than 5,500 university research workers in the United States who have taken a similar stand.

One of the organizers in the UK, Dr David Caplin, of Imperial College, said the boycott only concerned Star Wars. Some of the scientists against SDI had defence research contracts in various fields, and others would disagree with the activities of groups such as the Campaign for Nuclear Disarmament.

Dr Robin Nicholson, of Clarendon Laboratory, Oxford University, said: "I am in favour of a strong defence research programme but Star Wars is technically unsound." Most signatories to the boycott come from physics, mathematics and electronic engineering departments that

are in the forefront of topics such as laser technology, high-speed large computers, more efficient forms of rocket propulsion, new materials and atmospheric physics.

Those are among the 20 areas of research which the United States Department of Defence has listed as crucial to the development of Star Wars.

The overall cost of research in the United States is estimated at £2,300 million. The amount expected to be spent in Britain is about £50 million.

Doubts about British university involvement arose last year after an invitation was sent to two individuals and to departments with an international reputation in their fields.

The momentum of opposition built up when the British Ministry of Defence became involved, with the signing of a Memorandum of Understanding on Star Wars between the American and British governments last March.

The scientists against SDI pledge "not to solicit or participate in Star Wars because the programme is technically ill-conceived and dangerous. The creation of an impenetrable shield over the United States is not feasible. Research that leads to a system of limit capability would escalate the nuclear arms race. SDI is an obstacle to arms control."

# School governors: 1

# More parents on boards will end council majorities

In the first of three articles, Mark Dowd, Education Reporter, looks at the future of school government in the light of the 1986 Education Bill which is due to be enacted next month.

Governing bodies, those little-known, semi-invisible institutions, have been propelled into public view by changes proposed in new legislation.

It was the 1944 Act that required all maintained schools to have a governing body, following the example of independent schools which, for hundreds of years, had commissioned governors to ensure effective running and maintenance.

The new law sets out to guarantee a system of checks and balances among governors. Elected parents will form a quarter of the membership of the new-style institutions, the same proportion as local authority nominees, thus ending the local authority's built-in majority.

Unwieldy assemblies of more than 25 governors will become a thing of the past. Depending on pupil numbers, each of the 28,000 maintained primary and secondary schools in England and Wales will have between nine and 19 governors. They will serve a four-year term of office, although there is provision for a parent to stand down immediately after his or her child leaves the school.

Under the new regime, each governing body will also be obliged to compile a yearly report, which must be circulated to all parents two weeks before the annual meeting.

It is a measure which has attracted its share of publicity and misunderstanding. Although parents will be empowered to submit and pass resolutions on matters of their choosing, it is not the intention of the new Act to place the ultimate responsibility for the running of a school in the hands of the annual meeting. The law says that governors will have to "consider" such resolutions. Any final decision, however, will rest with them.

Forging stronger links with the community provides a second key theme. Governing bodies will be asked to co-opt a member of the local business community and also, in its annual report, the steps taken to foster understanding both with local industrialists and the police.

The arrangements for providing sex education will become the exclusive domain of governors, who will make a decision on whether such instruction is necessary and if so, what kind of teaching materials should be used.

One of the ironies of the new system is that, in spite of the removal of the term "school managers", a heightened managerial awareness is exactly what the Government is attempting to instil.

When Mr Robert Dunn, Under Secretary of State for Education, addressed a conference on education in Hampshire two weeks ago, he asked how many of the 15 governors present knew roughly what it cost to run their schools. A sheepish silence ensued.

Under the new Act, each of the 104 local authorities will be asked to supply governing bodies with an annual statement of running costs from September 1987.

Tomorrow: training for governors.

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# Young guitar player beats world's best

A schoolgirl who began strumming a guitar to accompany her mother at Sunday school sing-alongs, has just beaten some of the world's most accomplished musicians to win first prize at the Polish International Guitar Competition in Warsaw (Ian Smith writes).

After a brilliant concerto performance with the Warsaw Chamber Orchestra, Nicola Hall, at the age of 17 the second youngest competitor, has now been offered 50 engagements in Hungary, Poland, Greece and Britain within the next two years.

The classical guitarist, whose home is in Derby, is one of 270 gifted pupils aged between 8 and 18 drawn from throughout the country to study at Chetham School of Music in Manchester.

# Understudy gets break at Royal Opera

An American soprano has been given an unexpected opportunity for stardom after an artistic dispute at the Royal Opera House (Gavin Bell writes).

Miss Ashley Putnam, aged 34 has been elevated from understudy to leading lady in next month's production of Janacek's *Jenufa* by the sudden departure of Gabriela Benackova, who left rehearsals for her title role and flew home to Czechoslovakia.

Miss Benackova was said to have disagreed with the direction of Yuri Lyubimov, the Russian exile, who is staging his first opera in Britain.

Miss Putnam has already performed in Strauss' *Arabella* at Glyndebourne, but *Jenufa* will be by far the biggest engagement of her career so far.

# Motorway construction

# M25 opening set to ease congestion

The official opening of the final section of the £1,000 million M25 London orbital motorway on Wednesday is expected to provide an immediate reduction in congestion on other roads in the area of Watford, St Albans and South Mimms, Hertfordshire.

It is expected that the opening will be carried out by the Prime Minister ceremonially cutting a tape to bring into use an eight-mile stretch of motorway, south of St

Albans, and complete the 121-mile ring around London. This will come less than two weeks after the opening of the five-mile section immediately to the west. Between them these two sections provide intersections between the M25, the M1 and the A1.

Their combined effect is expected to be a dramatic reduction in traffic on the A405 in the area of Watford and St Albans which, during the construction period, has been carrying much of the

traffic which will now use the M25.

The opening of the final section should also greatly reduce the pressure on the roundabout at South Mimms, where the A1 and the M25 will intersect. It is also expected that dense traffic on the A41 in the region of Hemel Hempstead and Berkhamstead will be relieved.

The police and others think that because the traffic will be able to flow more smoothly around the M25, or through the Sandbach). Lane closures and signed diversions.

**This week's roadworks**  
**LONDON AND THE SOUTH EAST**  
M1 Hertfordshire: Major roadworks at junction 8 (Hemel Hempstead).

M1 Buckinghamshire: Contraflow between junctions 6 and 7 (Welwyn and Stevenage). Northbound entry at junction 6 closed until end of October.

M1 Bedfordshire: Contraflow junction 11 (Dunstable). Junction now fully open.  
M25 Hertfordshire: Down to two lanes each way between junctions 18 (Rickmansworth) and 19 (Hunton Bridge) until further notice.

M11 London: Major roadworks at Redbridge Roundabout until end of October.  
M2 Kent: Lane restrictions between junctions 5 and 7 (Sittingbourne and Faversham) until end of December.

M20 Kent: Contraflow between junctions 7 and 8 (Maidstone) until November.  
M27 Hampshire: Contraflow near Southampton between junctions 2 and 3 (A31 and M27). No westbound exit at junction 2 and no westbound entry at junction 3 from M27.

M4 Berkshire: Contraflow between junctions 12 and 13 (Reading/Newbury).  
M40 Oxfordshire: Down to one lane westbound at junction 6 (Watlington). Entry slip road closed until December

31. Also down to one lane eastbound at junction 7. Eastbound entry slip closed.  
M275 Hampshire: Construction of new flyover between M27 intersection and Rurdown roundabout, Portsmouth.

A1(M) Hertfordshire: Contraflow between junctions 6 and 7 (Welwyn and Stevenage). Northbound entry at junction 6 closed until end of October.

**MIDLANDS**  
M1 Nottinghamshire: Contraflow between junctions 27 and 28 (A608 and A38).  
M1 Leicestershire: Contraflow between junctions 22 and 23 (Ashby and Loughborough). Southbound entry slip at junction 23 closed.

M5 Hereford and Worcester: Between junction 4 and 5 (Bromsgrove and Droitwich) Contraflow and various lane closures between junctions 5 and 8.  
M54 West Midlands: Various lane closures between junctions 2 and 6 near Telford.

M54 West Midlands: Junction 6 (Telford) closed. Signed diversions.

**NORTH**  
A1(M) County Durham: North of Bowburn interchange. Contraflow until November 2.  
A1(M) County Durham: Contraflow at Cassop Grange bridge due to bridge painting till November 3.  
M6 Cheshire: Major roadworks between junctions 16 and 17 (Kids Grove and

interchanges, pressure generally in the vicinity will be relieved, and vehicles will no longer be forced on to local roads trying to find routes past bottle-necks.

The main uncertainty is to what extent the M25 will itself stimulate new traffic, which could lead to the congestion that has been seen in other sections of the motorway; it is generally thought it will be some weeks before that becomes apparent.

November. Alternative route signed.  
**WALES AND THE WEST**  
M4 Wiltshire: Contraflow between junctions 16 and 17 (Swindon and Cirencester). Until December. Also lane restrictions between junctions 34 and 35 (A4119 and A473) with contraflow.

M5 Somerset: Lane closures on both carriageways between junctions 25 and 26. Also lane restrictions near Bristol between junctions 18 and 19 (Avonmouth and Clifton).  
M5 Gloucestershire: Two lanes closed between junctions 11 and 12 (Cheltenham and Gloucester). Northbound slip at junction 14 is closed.

**SCOTLAND**  
M6 Glasgow: Construction work between junctions 15 and 17 (City centre and Dumbarston). Bridge work between junctions 29 and 30 (Paisley and Erskine Bridge).  
M8 Erskine Bridge: Contraflow between junctions 29 and 30 (Paisley and M898 until mid-November).  
M73 Glasgow: Bridge repairs at junction 1 (M74).

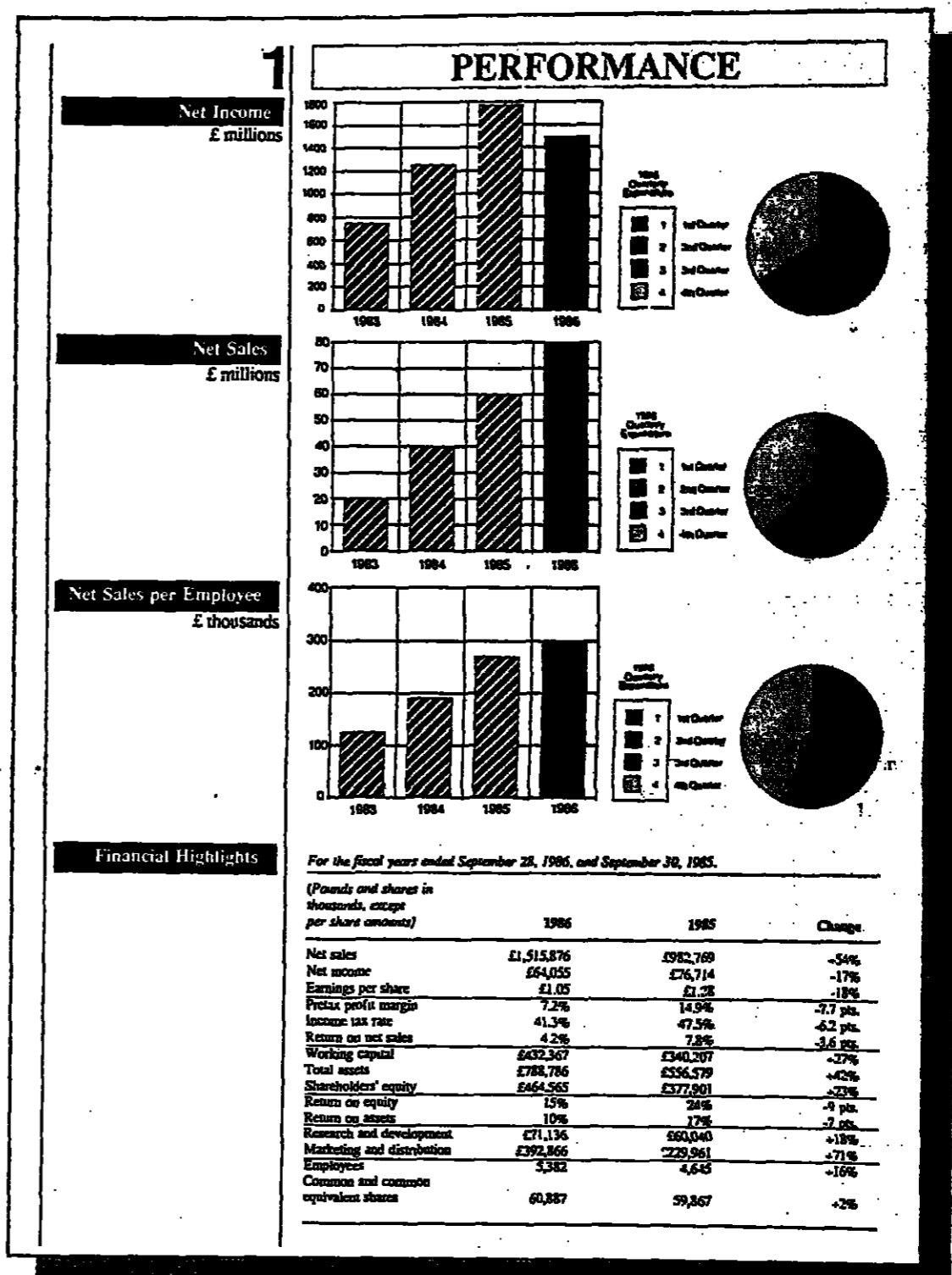
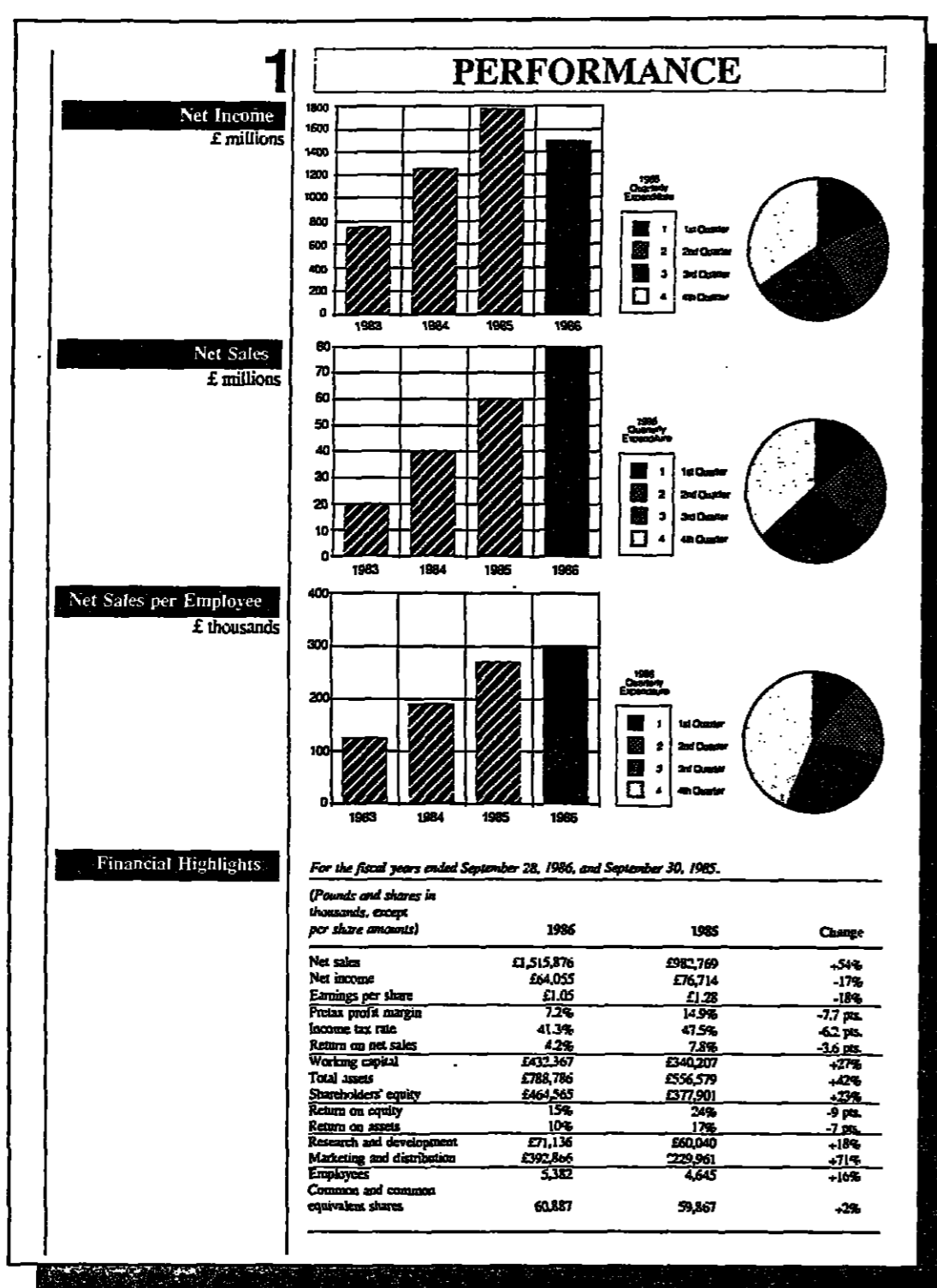
M74 Hamilton: Contraflow between junction 4 (A723) and Bothwell service station, until mid-November.  
M90 Fife: Contraflow between junctions 3 and 4 (Dunfirmline and Kethy). Also contraflow between junction 4 and 8 until further notice.

Information compiled and supplied by the AA Roadwatch Unit.

Information service, page 20



This document went out for typesetting, returned for corrections, then over to the printers, delayed for amendments (got lost on the way), and finally came home. This never left the office.



If you're tempted to play spot-the-difference, save your eyesight. The big difference between these two documents lies in who controlled them during their production.

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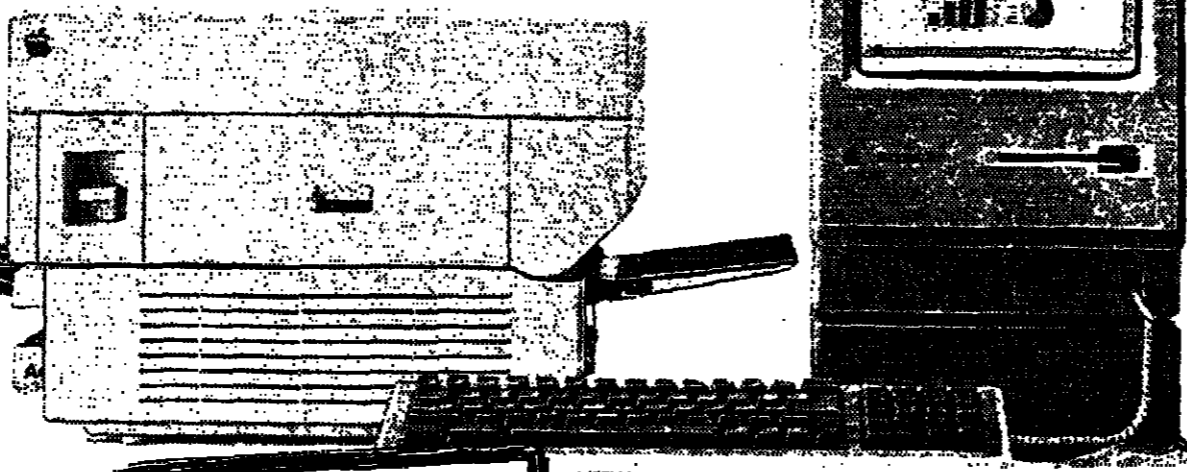
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WORLD SUMMARY

Gold mine men crushed to death

Johannesburg — Six black miners died and at least four were seriously injured when a solid iron cage plunged to the bottom of an 800 metre shaft where they were working at a gold mine near here yesterday (Ray Kennedy writes).

They were part of a 32-strong team digging a ventilation shaft at the Randfontein Estates mine owned by Johannesburg Consolidated Investments.

Flickering torches at the bottom of the shaft were the only indication that some of the shaft sinkers had survived. A company spokesman said rescue operations were going very slowly because the dead and injured had to be lifted through a narrow opening above the broken cage.

Three men died when they were hit by a snapped cable as the cage plunged to the bottom of the shaft, and the other three were crushed to death beneath it.

The injured, who were at different levels in the shaft, were put on stretchers and winched from stage to stage to the surface.

Smoke cure claim for common cold

Oslo — Respected Norwegian scientists claim to have developed a cure for the common cold based on woodsmoke (Tony Samson writes).

The preparation is said to kill cold and influenza viruses. Norwegian authorities are running tests on military volunteers before deciding whether to release the "Dr Braendren's nosedrops" on the pharmaceutical market.

Dr Olav Braendren, a retired scientific officer with the World Health Organization's narcotics laboratory in Geneva, has been working on his nosedrops for more than 25 years.



Knopfler injured

Adelaide (AP) — Mark Knopfler (left) of the rock group Dire Straits broke his right collarbone in a celebrity race held before the Australian Formula One Grand Prix.

Knopfler lost control of his Ford TXS turbo at the first turn of the five-lap event and slammed sideways into a crash barrier. He walked from the crash unaided.

Race report, page 48

Missile attack

Kuwait (Reuter) — A defence official confirmed that Kuwait fired two missiles at an unidentified flying object, described by a newspaper earlier as an "enemy" aircraft believed to have been shot down.

The Army chief of staff said it had not been possible to identify the nature of the target.

He said it was heading for Shuaiba, an industrial area adjoining Ahmedi, the hub of the northern Gulf emirate's oil export operations, and disappeared from radar screens.

Flying lessons

Delhi (AP) — All international and domestic flights at Palam Airport were cancelled for two weeks so that the Prime Minister, Mr Rajiv Gandhi, a former airline pilot, could practice flying, the Sunday Mail said.

It claimed that the flights were halted twice so that Mr Gandhi could log enough flight hours to maintain his pilot's licence.

Mr P. C. Vayyas, director of the airport, said it was closed for two hours for what he called "VIP movement".

Hasenfus call to CIA

Managua (Reuter) — A US airman shot down over Nicaragua on a rebel supply flight has called on the CIA to acknowledge responsibility for the flight.

"I was directly working for these people and they should directly do something about it," said Eugene Hasenfus, aged 45, who has been charged by the left-wing Sandinista Government with trying to topple it. He was interviewed in the maximum security jail where he is being held 15 miles east of Managua.

Russians say Reagan agreed to total ban

From Christopher Thomas, Washington

The United States and the Soviet Union are locked in a growing dispute about what President Reagan said in confidential talks with Mr Mikhail Gorbachev, at their meeting in Iceland on the elimination of nuclear weapons.

Moscow took the unusual step, on Saturday, of issuing what it claimed was a verbatim quote of what Mr Reagan said to Mr Gorbachev across the bargaining table.

They claim that he said: "If we agree that, by the end of the ten year period, all nuclear arms are to be eliminated, we can refer this to our delegations in Geneva to prepare an agreement that you could sign during your visit to the United States."

The argument has serious implications for Mr Reagan's credibility with the Soviet Union in future arms negotiations.

If Mr Reagan did say that, he was flying in the face of nearly all the advice he received from his own personal advisers, from the Pentagon and from the State Department. It would raise questions about Mr Reagan's competence in complex arms negotiations, face to face with the Soviet Union.

The administration claims

that all Mr Reagan said was that he might agree to the elimination of all intercontinental ballistic missiles. They say he did not agree to a ten-year accord that would scrap all US and Soviet strategic nuclear arms, including ballistic missiles, heavy bombers and long-range cruise missiles.

Mr Alexander Bessmertnykh, the Soviet Deputy Foreign Minister, told a press conference in Moscow on Saturday that Mr Reagan was initially confused about the Soviet proposal to eliminate strategic arsenals on both sides, but later told Mr Gorbachev that the US would agree to it.

A senior official refused to comment on the supposed quote from Mr Reagan, except to say that no exact transcript was made at the meetings.

However, it is known that the translators made notes. A White House official said that the only concrete proposal agreed to by Mr Reagan was the elimination of strategic missiles in two five-year stages. "That proposal was in writing," he said.

Their talks had never reached the stage of even a tentative agreement.

They are now in a state of confusion about what Mr Reagan said in confidential talks with Mr Mikhail Gorbachev, at their meeting in Iceland on the elimination of nuclear weapons.

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War of words and weapons increases tension in two Middle East disputes

Kremlin attacks diplomatic rift

PLO in fierce Lebanon battles

From Christopher Walker Moscow

Senior Kremlin officials and the state-controlled Soviet media have mounted a barrage of criticism against Britain for breaking diplomatic ties with Syria.

Pravda said yesterday the move was "an act of provocation" clearly arranged in concert with the US and Israel.

Under the headline "Syria will not be intimidated", the official Communist Party paper went on to praise the governments of France and West Germany for showing "restraint" in their reactions to the British Government's move.

In a four-page commentary by Mr Boris Shabayev, a leading political commentator repeat analyst, Tass alleged: "It took the British authorities almost half a year to invent a version of the April events at London's Heathrow airport, which by its absurdity, shocked even experienced BBC commentators."

Tass suggested that Britain's action had been directly prompted by the White House, which it said was seeking to divert international attention from President Reagan's "obstructionist stand", which had caused the collapse of the summit in Iceland.

"As is the rule, London was in a hurry to help it," the agency added.

The strength of Soviet reaction has been dictated mainly by its own friendship treaty with Syria, one of the Kremlin's closest allies in the Middle East.

"We know better than a British court what Syria's real policies are," Mr Alexander Bessmertnykh, the Deputy Foreign Minister, said on Saturday.

"The reasons Britain has put forward for this unfriendly move have a clear provocative character. They are trying to put the blame on someone for things that happen elsewhere."

WASHINGTON: Mr Farouk al Sharaa, the Syrian Foreign Minister, said yesterday that Britain was more isolated in the Middle East than ever before "because it has committed a massive blunder with Syria" (Christopher Thomas writes).

Inside is a cartoon of a



Amal militiamen taking cover during bitter fighting with PLO guerrillas at the Miah Miah Palestinian refugee camp on the outskirts of Sidon yesterday, in which at least 25 people were killed

British action on Syria embarrasses France

From Susan MacDonald, Paris

The news that Britain had broken off diplomatic relations with Syria came just a few hours after Le Monde published in a front-page story that France and Syria were negotiating a 3 billion franc (£370 million) arms deal.

This story followed a similar one in Liberation the day before, which also stated that the reason for the Prime Minister, M Jacques Chirac's lightning trip to The Hague earlier this month was to discuss an economic aid package for Syria with the help of Holland and West Germany.

Despite official denials that there were any new arms deals with Syria or that M Chirac had discussed a Syrian aid package with the Dutch, French feeling now is best summed up in Le Monde's front-page headline yesterday: "London's decision embarrasses Paris".

Inside is a cartoon of a

crowded President Assad being seen off the premises by a determined Mrs Thatcher, while across the street is an empty taxi with M Chirac at the wheel.

In asking the question on how to deal with today's EEC foreign ministers' meeting, Le Monde quoted a senior French official as saying: "The only way out is to try to get far away from the fact that we are being pushed forward by General Walters (President Reagan's special envoy) when he wanted to convince us of Libyan involvement in certain terrorist acts".

At the time of the series of deadly bombings in Paris in September, hard-line statements by M Chirac hinted at the involvement of a state in terrorism and promised severe punishment if proof of involvement was found.

However, the Government still maintains that no such proof has been found and since

those early statements the Minister for Co-operation, M Michel Aurillac, has visited Damascus for talks and a Syrian-born priest, imprisoned by the Israelis in the 1970s for pro-Palestinian activities, was allowed to see a suspected terrorist leader imprisoned in Paris.

Sources close to the Government said that they are trying the stick and carrot method with regard to Syria, which promises new co-operation with Damascus in return for Syrian help in providing information on terrorist groups and ending terrorist bombings in France.

This method would also take into account France's concern for the number of French hostages still being held in Lebanon.

At today's EEC foreign ministers' meeting in Luxembourg France will have to defend its position on Syria

Damascus embassy staff left

By Nicholas Beeson

The Foreign Office confirmed yesterday that two Syrian members of staff at the British Embassy in Damascus left their jobs after the convicted terrorist, Nizar Hindawi, was arrested in London in April.

The Sunday Times alleged that the employees were Syrian intelligence agents who had helped to secure visas to enter Britain for Hindawi and other suspected Syrian terrorists, and that they stole official records of visa applicants.

A spokesman at the Foreign Office said he could not confirm the authenticity of the allegations.

However, in his speech on Friday the Foreign Secretary, Sir Geoffrey Howe, said that Hindawi, a Jordanian, arrived on an official Syrian passport in a false name, and that his visa applications were twice backed by official notes from the Syrian Foreign Ministry.

From Juan Carlos Gumucio Sidon

In their most vigorous military operation in southern Lebanon for four years, Palestinian guerrillas yesterday were locked in a fierce defensive battle for a string of strategic posts they had captured from the Shia Muslim Amal militia on the hills south-east of Sidon over the weekend.

Mortar, rocket and machine-gun battles went on unabated for the second successive day as Amal launched relentless attacks to try to recapture positions in the villages of Darb Essim and Ein el-Dib. By nightfall, the Palestinians appeared to be in control of their new territory.

But as the guerrillas stretched their positions on the slopes overlooking Sidon, Amal was reported to have launched an offensive against guerrillas defending the Rashidiyah Palestinian refugee camp near Tyre, to which the Shia militia had laid siege following three weeks of sporadic machine-gun battles.

Eye-witnesses contacted by telephone said columns of Amal militiamen had entered the camp after 10 hours of heavy bombardment and were conducting a house-to-house search.

One Tyre resident said that the militiamen were now in control of 40 per cent of the large refugee camp.

Amal officials in the town conceded that at least 25 militiamen were wounded in the attack. Casualty figures among the Palestinians were not available.

The authorities in Sidon said at least 25 people were killed and 60 injured since the Palestinians launched their offensive from the Ein el-Hilweh and Miah Miah shantytowns on the outskirts of Sidon. They house the largest concentration of Palestinians in Lebanon, with a registered population of more than 31,000 refugees.

Swedes hold child in terrorist raid

From Christopher Mosey, Stockholm

Swedish police yesterday faced an escalating war over a clumsy crackdown on suspected foreign terrorists thought to be using Sweden as a "safe base" for operations elsewhere.

They moved in against seven people suspected of membership of the Peruvian guerrilla organization, Shining Path (Sendero Luminoso).

More than 20 police wearing riot helmets, bulletproof vests and gas masks and armed with sub-machine guns, raided a flat in the Stockholm suburb of Jakobsberg. They succeeded in arresting only an 18-month old girl.

The girl's father, an illegal immigrant from Peru, was one of the seven suspected members of Shining-Path, who are now in hiding, having been denied political asylum.

She was placed in a children's home after her arrest and last night was returned to the relatives who had been caring for her before the police raid.

Mr Georg Andersson, the Immigration Minister, has called for a full report on the incident.

Mr Sten de Geer, the lawyer who is acting for the parents, accused the police of violating both Swedish law and the Geneva convention.

He said the child's father risked a death sentence if deported to Lima. The Swedish immigration authority said Peru was classified as a democratic country and that Shining Path was seen as a terrorist organization rather than a liberation movement.

However, under Swedish law no one may be deported if they risk death or persecution for their political beliefs.

Senior Otto Ortega, a Peruvian protest singer, has also been arrested in the town of Norrkoping, south of Stockholm, and is awaiting deportation to Lima.

Senior Ortega is leader of the musical group Canto Nuevo (New Song), the members of which have lived in Sweden for the past year.

The crackdown has been ordered in an attempt to restore Sweden's battered reputation for law and order following several international incidents.

Earlier this month an Arab with Swedish citizenship suspected of belonging to an Abu Nidal hit squad, was deported from Britain to Sweden.

Swedish explosives were used in the recent wave of bombings in Paris.

In June Mr Gregory Newell, the US ambassador in Stockholm, may have been the intended victim of a terrorist attack when a security guard fired at two armed men who approached a villa which Mr Newell was visiting.

One of the main police theories concerning the assassination of Mr Olof Palme, the Socialist Prime Minister in February, is that it was the work of Kurdish terrorists.

Police think the killer is now hiding out in what is diplomatically described as a non-European country without an extradition treaty with Sweden, most likely Syria.

Mr Palme's successor, Mr Ingvar Carlsson, takes a more pragmatic approach than he did. Earlier this year he appointed a senior diplomat, Mr Vidar Hellner, aged 58, to coordinate Swedish efforts with police forces in other countries to beat the terrorist threat.

Moi bans TV drama series

Nairobi (Reuter) — President Moi of Kenya has banned a controversial television drama on teenage sex, saying the programme was immoral, insulting and ungodly, the official Kenya News Agency said.

TENDERS MUST BE LODGED AT THE BANK OF ENGLAND, NEW ISSUES (L), WRITING STREET, LONDON EC4A 3DF, NOT LATER THAN 10.00 A.M. ON WEDNESDAY, 28TH OCTOBER 1986, OR AT ANY OF THE BRANCHES OF THE BANK OF ENGLAND OR AT THE GLASSBORO AGENCY OF THE BANK OF ENGLAND NOT LATER THAN 3.30 P.M. ON TUESDAY, 28TH OCTOBER 1986.

ISSUE BY TENDER OF £1,000,000,000 10 per cent TREASURY CONVERTIBLE STOCK, 1991

MINIMUM TENDER PRICE £96.25 PER CENT PAYABLE AS FOLLOWS: Deposit with tender £40.00 per cent On Monday, 24th November 1986 Balance of purchase money INTEREST PAYABLE HALF-YEARLY ON 15TH JANUARY AND 15TH JULY

The Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Applications have been made to the Council of The Stock Exchange for the Stock to be admitted to the Official List.

- 1. THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are appointed to receive tenders for the above Stock.
2. The principal of any interest on the Stock will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.
3. The Stock will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will constitute a multiple of one penny, by instrument in accordance with the Stock Transfer Act 1963. Stock registered at the Bank of England for the account of members of the Central City Office Service will also be transferable, in multiples of one penny, by exempt transfer in accordance with the Stock Transfer Act 1963 and the relevant subordinate regulations. Tenders will be free of stamp duty.
4. Interest will be payable half-yearly on 15th January and 15th July. Interest due will be deducted from payments of principal on the dates specified in paragraph 10. The first interest payment will be made on 15th January 1987 at the rate of £1.985 per £100 of the Stock.
5. Holdings of 10 per cent Treasury Convertible Stock, 1991 may, at the option of holders, be converted into the same number of £100 Treasury Convertible Stock, 1991, at the following dates and on the following conditions:
(a) 15th January 1987
(b) 15th July 1987
(c) 15th January 1988
(d) 15th July 1988
(e) 15th January 1989
(f) 15th July 1989
6. The Bank will accept applications for the exercise of the above options to convert a holding of 10 per cent Treasury Convertible Stock, 1991 into Treasury Convertible Stock, 1991, by instrument in accordance with the Stock Transfer Act 1963 and the relevant subordinate regulations. The exercise of the above options will be subject to the provisions of the Stock Transfer Act 1963 and the relevant subordinate regulations. The exercise of the above options will be subject to the provisions of the Stock Transfer Act 1963 and the relevant subordinate regulations. The exercise of the above options will be subject to the provisions of the Stock Transfer Act 1963 and the relevant subordinate regulations.
7. The Bank's Treasury has directed that Section 32b of the Income and Corporation Taxes Act 1970 (which relates to the treatment for taxation purposes of financial contracts whose business consists wholly or partly in securities) shall apply to exchanges of securities made in pursuance of the above conditions.
8. The Conversion Loans will be investments falling within Part II of the First Schedule to the Trustee Investments Act 1961. Subject to the provisions of the Stock Transfer Act 1963 and the relevant subordinate regulations, the Conversion Loans will be transferable, in multiples of one penny, by instrument in accordance with the Stock Transfer Act 1963 and the relevant subordinate regulations. The Conversion Loans will be free of stamp duty.
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10. After 15th July 1987 holders of the Conversion Loans may, by instrument in accordance with the Stock Transfer Act 1963 and the relevant subordinate regulations, be exercised to convert a holding of 10 per cent Treasury Convertible Stock, 1991 into Treasury Convertible Stock, 1991, at the following dates and on the following conditions:
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(b) 15th July 1987
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12. Further interest payable on 10 per cent Treasury Convertible Stock, 1991 and stock and bonds will be payable on 15th January 1987 and 15th July 1987. Interest due will be deducted from payments of principal on the dates specified in paragraph 10. The first interest payment will be made on 15th January 1987 at the rate of £1.985 per £100 of the Stock.
13. For the purposes of the preceding paragraphs, persons are not ordinarily resident in the United Kingdom if they are regarded as not ordinarily resident for the purposes of United Kingdom income tax.
14. Applications for exemption from United Kingdom income tax should, in the case of interest on stock, be made in such form as may be required by the Commissioners of Inland Revenue. Exemption from United Kingdom income tax will be granted only if accompanied by a declaration of ownership in such form as may be required by the Commissioners of Inland Revenue. The appropriate forms may be obtained from the Inspector of Foreign Dividends, Inland Revenue, Liverpool Road, Thames Ditton, Surrey, KT7 0QA.
15. These exemptions will not entitle a person to claim repayment of tax deducted from interest unless the claim is supported by a certificate from the tax authorities of the country of origin of the interest.
16. The Bank's Treasury has directed that Section 32b of the Income and Corporation Taxes Act 1970 (which relates to the treatment for taxation purposes of financial contracts whose business consists wholly or partly in securities) shall apply to exchanges of securities made in pursuance of the above conditions.
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Table with 2 columns: Date of conversion, Interest rate. Rows include 15th July 1987, 15th January 1988, 15th July 1988, 15th January 1989, 15th July 1989.

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Big profits in Hungary's Savile Row

From Richard Bassett Budapest

"Twice as smart as London at half the price." In Eastern Europe, where some news can travel very quickly, the word has got round. Party bosses, bankers, the rank-and-file bureaucrats; if they need a good tailor, Budapest is the place.

In the side-streets behind Rakoczi Square where the grey 19th-century facades are still fitted with the ballnets of the 1956 revolution, the dyes of Central European tailors, Mr Sandor Nagy, is arguably the busiest man in Hungary.

"Yesterday it was a second fitting for three Russian colo-

nels. Today a member of the Central Committee and an East German diplomat; I have not been on holiday for months."

A thin wiry man in his late fifties, Mr Nagy comes from a long line of tailors and boot-makers. His father, he claims, made a shooting suit for the late Duke of Windsor when he visited Budapest as Prince of Wales in the 1930s. For a couple of years after the war, he worked as a young apprentice in London — "wonderful tweeds", he sighs.

Returning to Hungary in the years just before the uprising, he has survived on a steady trade which, though dwindling

in the 1960s and 1970s, has in the last two years taken off with the emergence of a small wealthy class in Hungary and a return to what he calls "good old style".

For less than £100, the Hungarian Politburo member leaves Mr Nagy's workshop as immaculately pin-striped as a merchant banker. For a little more, a scruffy journalist from Poland with a leather jacket can hope to look "as smart as carrots, as you English say".

Until a couple of years ago, most of Mr Nagy's clientele was Hungarian, but the numbers of Czechs, Poles and Russians is increasing. It is clearly becoming em-

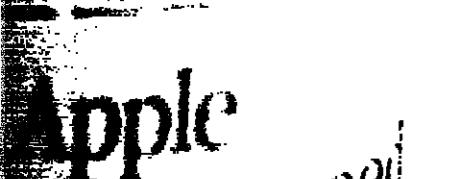
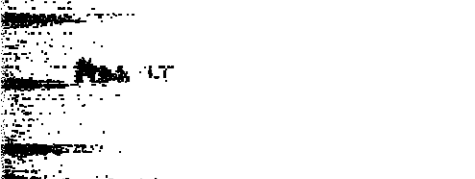
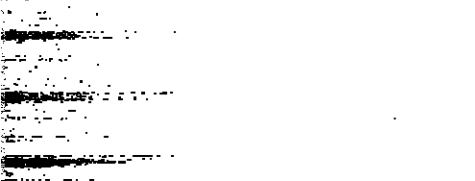
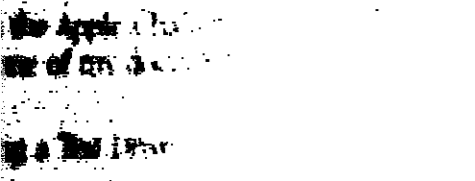
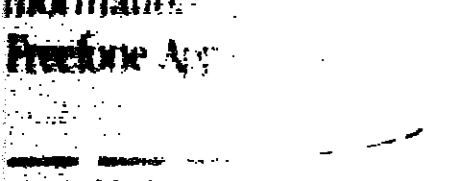
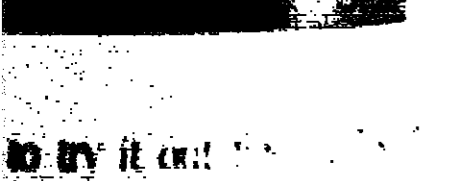
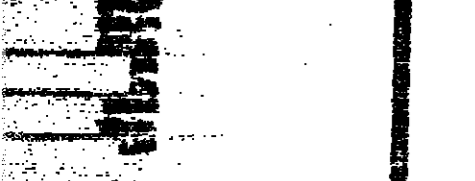
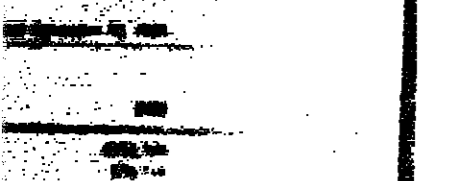
barrasing for other representatives of the Warsaw Pact to do business and negotiate with Hungarians, who not only are but look more well-heeled.

The young may be more interested in the Carlin boutiques, but for their parents, windows full of heavy pin-stripe and the chance of four bottles on the cuff exerts a magnetic hold over the imagination.

For as long as Budapest remains, if not quite twice as smart as London 10 times smarter than Berlin and Moscow, this undeniably bourgeois tendency seems set for encouragement throughout the Warsaw Pact.

the office

PERFORMANCE



Apple to succeed



## A FEW IMPORTANT WORDS OF ADVICE TO A 16 YEAR OLD ON THE DOLE. FROM A GRAND OLD MAN OF 17.



When I left school at 16 I wanted to get out into the big wide world. And at the time that meant getting a job and having some cash of my own.

It certainly didn't mean hanging about on a training scheme.

But it didn't take me long to realise that the only jobs going for a 16 year old who was wet behind the ears weren't worth having. Things like sweeping up and making the tea.

And anyway, dozens of other mugs were after the same dead end jobs.

Then I got talking to a girl who happened to be on the YTS and she told me it wasn't the complete waste of time I thought it was.

I won't say she dragged me kicking and screaming down to the Careers Office but I admit I took some persuading.

Anyway, I gave the bloke down there a hard time – told him I wasn't going to accept any old thing. When I'd got that out of my system, he told me there was no question of that – it was up to me to choose what skill

I wanted to learn. And if I found it didn't work out, I was free to change my mind and try something else.

So I let him fix me up with an interview with a company round the corner – a small business called Conyer Marine – and they took me on as a trainee.

Now a year later they've decided to give me the responsibility of looking after the stores and a chance to do some buying.

And it rather looks as if before long they're going to make me a fully paid up member of the firm.

But what about you?

Well it just so happens that the YTS are guaranteeing that if you apply for a place now, you'll be on a training scheme by Christmas at the latest.

So my advice to you is get down to your Careers Office today.

I promise you won't be wasting your time. And after all, with my experience I know what I'm talking about, kid.

TO FIND OUT WHAT OPPORTUNITIES ARE GOING IN YOUR AREA, GET DOWN TO YOUR LOCAL CAREERS OFFICE OR JOBCENTRE.

**THE NEW 2 YEAR YTS. TRAINING FOR SKILLS.**

**MSC**

**ACTION FOR JOBS**

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Thousands at anti-Aquino rally

# Enrile pledges crusade against communism to Marcos supporters

The Philippines Defence Minister, Mr Juan Ponce Enrile, addressing the biggest anti-communist rally since President "Cory" Aquino took power, yesterday told 10,000 cheering supporters of the ousted leader, Mr Ferdinand Marcos, that he was willing to lead a "people's power" crusade against communism.

His fiery speech ended with the burning of two communist flags below the outdoor stage on which Mr Enrile stood, his arms outstretched giving the thumbs down sign, as the crowd chanted "Down with Cory".

On stage with him were his wife, Christina and daughter, Katrina, who wore on her blouse an "ABC" sticker, meaning "Anyone But Cory".

Chants of "Marcos still greeted Mr Enrile as he arrived at the Central Post Office stairs to address, for the first time, a pro-Marcos rally.

His presence, at what was essentially an anti-government rally, signalled a further deterioration in his ties with the administration he helped to instal eight months ago.

Unlike a smaller, and religious-based, anti-communist

From Keith Dalton, Manila rally that Mr Enrile addressed on Saturday, yesterday's demonstration was a political show of support for Mr Marcos's former defence chief.

Last week his persistent criticism of the Aquino government's handling of the 17-year communist insurgency almost triggered a Cabinet split.

"Many people are taking notice of me," Mr Enrile told the crowd. "They are saying this Enrile is like a mad dog, always howling. And they're saying this because they're getting hurt."

Without once mentioning the Aquino government, Mr Enrile said he would not stop his criticism of the Communists "who kill people like pigs".

"I will not stop. I would rather be criticized. I would rather be condemned, than be dishonest to the Filipino people," he said to chants of "Enrile" and the flashing of V-signs, the election symbol of Mr Marcos.

The Defence Minister's armed bodyguards crowded the stage, others were perched on the roof of the Post Office building, surveying the crowd

through binoculars. An Army helicopter, taking pictures, circled overhead.

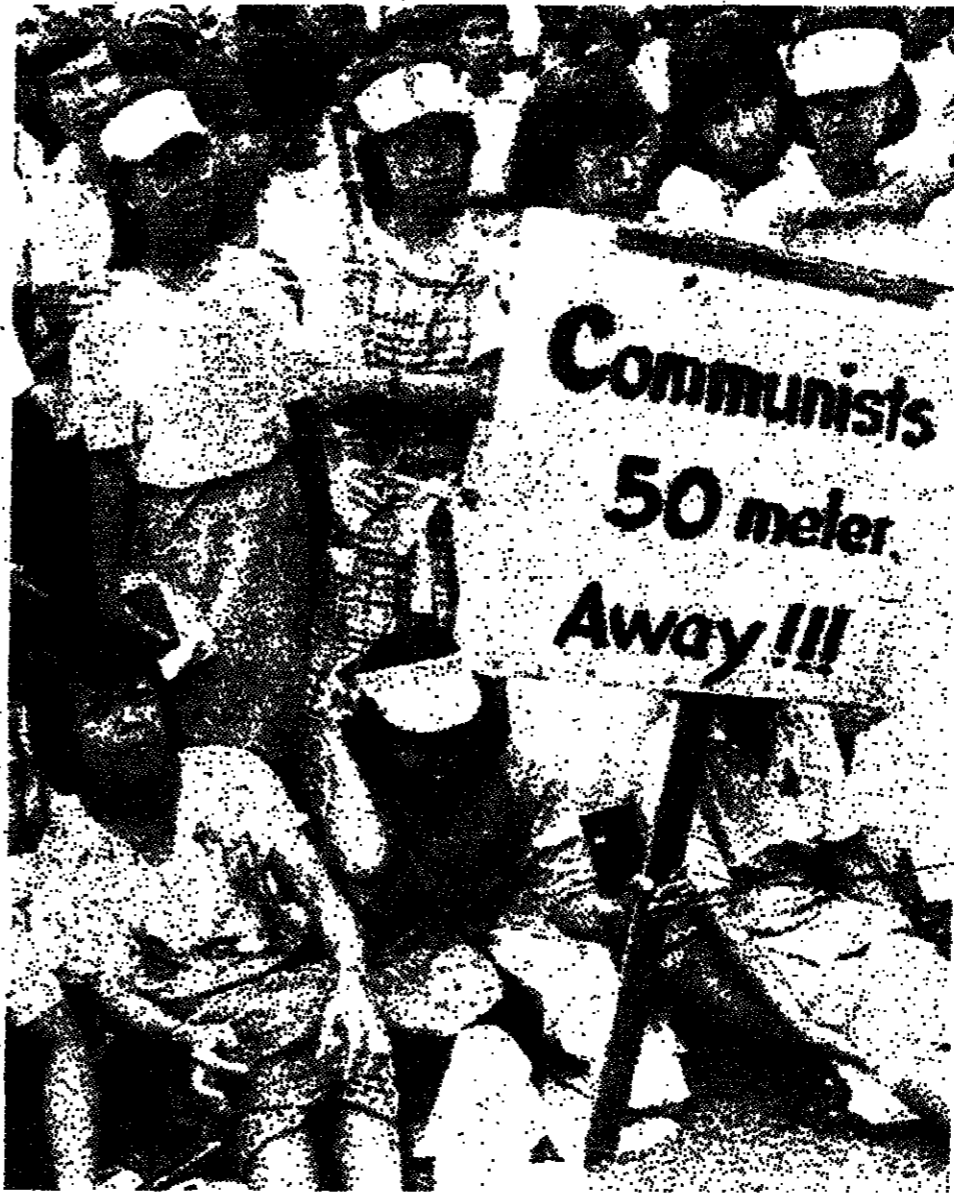
"Don't worry, they are with us," said Mr Enrile, looking skywards.

Manila police, meanwhile, reported a grenade blast in a building once used as Mrs Aquino's campaign office.

The grenade, fired from a grenade launcher, smashed through an eighth-storey window on Saturday night, causing minor damage, police said. Less than 24 hours earlier a small home-made bomb exploded outside a nearby hamburger restaurant, injuring three people. Police are investigating whether the two explosions are connected.

● Aquino 'legitimate': The Philippine Supreme Court has confirmed that Mrs Aquino is the country's legitimate president despite questions raised about the constitutionality of her rule, a justice said yesterday (AP reports).

Justice Andres Narvasa said the 11-member panel found that the Filipino people had "made the judgement" and "accepted the government of President Corazon Aquino, which is in effective control of the entire country."



Supporters of ex-President Marcos listening to the Philippine Defence Minister, Mr Juan Ponce Enrile, addressing the weekend anti-communist rally in Manila.

# Sikh terrorists kill Punjab villagers

From Michael Hamlyn, Delhi

Sikh terrorists in the troubled north Indian state of Punjab have again massacred a number of innocent civilians as part of their fight to create an independent state by force or fear.

The Punjab police chief, Mr J. F. Ribeiro, who was himself the target for an assassination attempt three weeks ago, has been explaining the success of his men in killing or capturing the rebel leaders. But it seems that nothing can stop killers from hitting soft civilian targets.

They struck at the weekend in Ferozepur district, which runs alongside the border with Pakistan. Three gunmen walked calmly into the village of Khuban, near the town of Abohar, soon after darkness fell, and opened up with Sten-guns and revolvers at the crowd in the market place.

Reports insisted that at least eight people were killed, although the official statement only spoke of seven deaths. Nine people were injured. Abohar is a predominantly Hindu sub-district, but three of the injured were said to have been Sikhs.

Immediately after the killings police began a big man-hunt, but the gunmen escaped.

In another incident a low-ranking Congress leader was killed when his scooter was halted by a gang riding in wait for him as he rode home to the village of Palwal further north in Hoshiapur.

Yet another man, a government pharmacist, died when gunmen opened fire on him outside his home village near the town of Patiala.

A mysterious radio transmitter, which has been causing havoc with police communications in Punjab, also opened up again at the weekend. The running of the police radio network was interrupted for a crucial two minutes while the pirate broadcasters shouted slogans in favour of the independent Sikh state of Khalistan.

Police at first thought that the clandestine transmitter was operated from over the border in Pakistan, but this seems no longer to be the favoured theory.

Mr Ribeiro told an interviewer last week that of 14 terrorist leaders who were identified at the start of his anti-terror campaign seven have been neutralized, either killed or arrested. More than 140 other rank-and-file members of the terror bands have also been dealt with.

A 24-hour general strike throughout Punjab has been called for today by the principal Hindu organization in Amritsar to protest at the killings.

The Indian authorities announced that 16 "intruders", who were said to have crossed over into the states of Rajasthan and Punjab, have been killed by the Border Security Force police.

# Fingerprints trap Pinochet attacker

From A Correspondent, Santiago

A set of fingerprints on a tin led the police to one of the guerrillas allegedly responsible for the attempt on President Pinochet's life last month.

His arrest, last Wednesday, led to the capture of four others, and four of their supposed accomplices. The Government says another 20 gunmen took part in the ambush on the President's car, in which five of his bodyguards were killed. Those caught could face death sentences.

The police say the five belong to Manuel Rodriguez Patriotic Front (FPMR), which has its origins in the Communist Party, and is by far the larger of the two left-wing paramilitary organizations operating in Chile.

The FPMR claimed responsibility for the assassination attempt. In the most recent issue of *El Rodriguero*, its underground magazine, it says it will try again and blames faulty US technology (a rocket-launcher which failed to work) for its failure last time.

The attack has given the guerrillas more publicity than they have ever had in their three-year existence.

Chile is not used to guerrilla organizations: its political for the past 100 years have been strictly parliamentary. So there is widespread reluctance at all levels of society to believe that the Communist Party has organized an effective paramilitary force.

Despite the claims of both the FPMR and the Government, a recent opinion poll by an independent company

found that less than half its sample believed that the Front had carried out the attack on the President.

There was widespread disbelief when, in August, the security forces discovered large quantities of weapons, and said they belonged to the FPMR.

The Front is a long way from its declared objective of "organizing an armed insurrection against the tyrant", as its spokesmen put it. At the moment its activities provoke more incredulity than support in the mass of the population.

Its hardcore membership is estimated at around 2,000, but its logistical support runs to about six times that figure. Perhaps surprisingly, for a Latin American group, a third of its members are said to be women.

As well as the FPMR guerrillas, there are militias organized in the working-class districts. Their job is to organize the "days of protest", to try to stop public transport going in or out of the neighbourhood and to keep out police or army patrols with barricades or trenches. The Front claims to have effective militias in about a third of these districts.

Another key task for all Communist Party militants is to fraternize with the troops, who are mainly young conscripts and may respond to a kind word and be persuaded to desert.

The FPMR has produced one policeman and two army recruits at press conferences, claiming they were deserters. It said that it had army informants who helped to prepare the ambush on President Pinochet.

The organization insists that its sole aim is to bring down the Pinochet regime. Once that was achieved, the FPMR says it would disband itself, leaving the Communist Party and Chile to go back to their accustomed form of politics.

Some civilian politicians, such as Señor Gabriel Valdés of the centrist Christian Democratic Party, are sceptical. "If the Communists win by force of arms," he asks, "who is going to disarm them?"



President Pinochet: escaped assassination attempt.

# Japanese feel they are a small, poor nation

From David Watts, Tokyo

Japan may seem a rich country from abroad, but most Japanese still feel that basic living standards are below international par.

Most feel they pay too much for housing and food and work too long hours, according to the annual White Paper on the national life. Heated by the Economic Planning Agency (EPA). And if the strong yen is making the country wealthier in the international league tables it is not having much effect on the price of imports or permitting the ordinary Japanese a more lavish lifestyle.

In spite of all the pleas from abroad for them to start letting their hair down a bit with foreign imports they are actually spending less on consumer items. Such spending is now at the lowest level since 1982, with last year's figure down 0.1 per cent on the previous year at 290,000 yen (£1,274) a month.

"The people want to spend more money on consumer products," said an official of the EPA. They have obliga-

tions to amortize their huge housing loans which stem from high land prices.

The trouble is the wealth that the strong currency has brought Japan is not going into industrial investment at the rate it used to, and a lot of it is chasing scarce land, pushing up land prices, the cost of housing and rents. In some parts of Tokyo the price of land has risen almost 100 per cent over the past year. Average land prices are 10 times those of Europe and 20 times those in the United States.

The land on which *The Times* correspondent's average three-bedroom house stands is worth £1.5 million.

With prices like that, admittedly in one of the more pleasant parts of Tokyo, it is not surprising that national wealth does not necessarily correspond to individual satisfaction.

People need to rid themselves of their own traditional image of the country as a small state of little consequence, according to the White Paper.

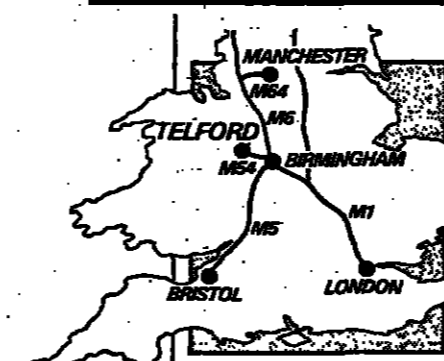
対英投資にふみきることへのためらいを  
掃する生の声  
「ヨーロッパの製造拠点としてテルフォ  
ド (TELFORD) を選択したことは正  
しかつたといえる。一九八四年操業開始以  
来、高品質ビデオテープカセットの生産は  
3 倍に伸び、またフロツピーディスクの生  
産高も大きな伸びを示すと同時に、売上も  
予想を上回るものとなった。」

Mr K. Kawanishi, Maxell (UK) Ltd.

Wir haben 1981 mit der  
Produktion in Telford  
begonnen. Seitdem haben wir  
unsere Fabrikgebäude zweimal  
erweitert und die Anzahl der  
Mitarbeiter ist von 35 auf 90  
angewachsen. Der Umsatz hat  
sich verdreifacht.  
Ich glaube, dass der  
Standort Telford ein wesent-  
liches zu dieser Entwicklung  
beigetragen hat.

Mr. H. Schorf, Bischof & Klein (UK) Ltd.

## IF YOU HAVE ANY DOUBTS ABOUT MAKING MONEY IN BRITAIN, SEE WHAT FOREIGN INVESTORS HAVE TO SAY.



Contrary to what the media would have you believe, there are some areas of British industry that are doing very nicely, thank you. Maxcell, who since 1984 have been manufacturing high quality video cassettes and floppy disks from their 50 acre site in Telford, recently announced an increase in production and turnover that exceeded all expectations.

Bischof & Klein, the plastic materials manufacturers, reported that turnover from their Telford plant had trebled in just four years.

Similarly, over 70 multinational corporations based in Telford from as far afield as New Zealand, Taiwan, the USA, Switzerland, Japan, Sweden and France, are working to full capacity, expanding their premises and increasing their workforces.

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But you do have a choice. You can follow the examples of Maxcell, Bischof & Klein, Westinghouse, Ricoh and Toshiba and many successful British businesses, and telephone Chris Mackrell on 0952 613131 for more information. Or you can turn the page.

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MSC ACTION FOR JOBS



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**£9,000**

Energetic young sec for busy account team. Wit, wits, and willingness and good typing skills all essential.

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Commodity Brokers in chic new offices need you if you are:

- An exp sec with personal bias £10,000
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Please apply with full details before 21st November 1986 to:-

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Temporary Staff Specialists  
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24 hour answering service

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Prestigious financial institution based in luxury purpose-built offices within the city, is seeking a high calibre person who can take responsibility of administration; possesses expertise on the Wang WP along with accurate shorthand typing skills. Someone who can liaise with senior level people and generally organise their boss. Fantastic career opportunity.

Contact Maggie Bracher 01-439 4001

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Small, lively sales promotion agency looking for a P.A. W/P Secretary to look after two Account Execs. Must be very skilled on Wang WP, so as to help out in supervising duties. Must be able to get involved in event organising. Age 22+.

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Agency Sec. required to work for busy sec. team in young firm. Agency. Age 24-35. Typ 20.

**PROPERTY**  
**£12,000**

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We offer you very meaningful opportunities, high earning potential, continuous development on your Office Systems Skills.

Contact: Karen Tansey, Tricia Morris, who will make you very welcome.

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If you love a laid back but professional atmosphere, the clear vision of the video company will attract your interest. Accurate typing and shorthand skills. West London area.

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Thomson Snell & Passmore, one of the country's leading provincial law practices, is opening a London office and is seeking an Administrative PA/Secretary to carry out a key role in this important development. Involved from the outset, you will be the mainstay of the new office as you generally ensure that everything runs smoothly and, as the office grows, your contribution will be acknowledged with career development. To carry out this important role you will have lots of initiative, versatility, some legal experience, typing at 60wpm and audio skills.

Salary to £11,000.

If you feel that you have the qualities we are seeking and are at a point in your working life where you feel ready to take on a responsible role offering career development, reply in the first instance to June Cox, at SYNERGY, the recruitment consultancy, 01-637 9533.

**DAVIS CO SECRETARIAL**  
**01-734 6652**

**PROPERTY/ADMIN**

Prestigious property company with offices in Mayfair require an administrative secretary with 5-10 years experience to run the office. Lots of telephone work, clear contact and good typing essential. Good salary and benefits. Please DMH recruitment on 01 451 0933 NOW!

**LAW**  
**£11,500**

senior partner of leading Holborn Solicitors requires a first class secretary. 28+. A little company and commercial law work, but also travel arrangement itineraries and admin. Shorthand and audio skills plus a good telephone manner essential.

City 572 5600  
West End 439 7001

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The Secretarial Consultants

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Due to expansion a PA/Secretary is required for two directors of this dynamic, young design company. Because you will be visiting sites and liaising closely with clients you will become involved with all their projects, and be an integral part of their team. Fabulous offices and very friendly people too! Skills 90/60. Age 22-27.

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**£9,000 neg.**

The Sales/Marketing Director of this young fashion company has just lost his secretary (but only after 5 years). She obviously enjoyed the organisation of their sales conferences, masses of telephone liaison and a varied day in a busy informal atmosphere. If this appeals to you and you have 80/50 skills please telephone.

Please phone  
Annie Clowes on  
01 439 4222  
or send your CV to  
St Giles House,  
49 Poland Street,  
London, W1.

**JOAN TREE**  
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**PUBLISHING PA/SECRETARY**

CHIEF EXECUTIVE of what is possibly the fastest growing publishing company in the UK requires a senior confidential PA/secretary with excellent skills for excellent salary. This position would be ideally suited to someone with at least 5 years experience at senior level who is used to working under pressure and using their own initiative.

Please phone  
Annie Clowes on  
01 439 4222  
or send your CV to  
St Giles House,  
49 Poland Street,  
London, W1.

**SECRETARY PA**  
**KNIGHTSBRIDGE**  
**£9,000 - £10,000**

Very good - good audio typing & shorthand skills. Must be able to take initiative and be able to take on a challenge. Ring: Linda Mitchell on 428 8771. Kingsland Palace.

**AMERICAN ECONOMICS CONSULTANCY**

requires an **EXECUTIVE SECRETARY/PA** to the Managing Director. **£12,500**

This is a challenging and demanding position for a senior secretary with a high level of organisational and administrative skills. The successful applicant should be aged 28-40, have excellent secretarial skills and a knowledge of Word Processing. The company offers excellent benefits and working conditions.

Please write in strictest confidence to:  
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National Economic Research Associates,  
18 Park Street,  
London W1Y 3WD.

**ABA-SUS**

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**£10,000 PLUS MORTGAGE**

This up market Financial Consultancy is looking for a friendly and enthusiastic Sec or As (Audio) to work in their sales development dept. Smashing boss. Will be arranging travel, keep diary, book seminars, meet clients, etc. Must be willing to get involved and well presented. 23+. Mortgage subsidy. BUPA - Bonuses. 930 8207

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The Chairman of Gordon and Breach, International publishers of high level science, technology and medicine, needs a personal assistant. She or he must be bi-lingual in French and English and must be free to travel frequently, normally within Europe but sometimes also elsewhere. Strong secretarial and executive skills are required.

Please reply with full CV to:  
**Stephanie Waller,**  
Gordon and Breach Science Publishers,  
1 Bedford Street,  
London WC2E 9PP

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Excellent opportunity for a 4 level calibre Sec. 80/50 skills to work at River Park for a small Public Relations Co where you will get involved & the prospects will be immense. Good especially if you look nice and speak well and are keen to get on. Call Sharon on 495-1531

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Your past experience will ensure your future with this prestigious investment company with superb offices in the heart of the West End. Duties will include administration, accurate typing and a knowledge of a Regent switchboard (will train). Age 25-30.

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**£10 - £12,000**

The Chairman of a well-known City bank, shortly moving to a new office, needs two extremely well presented secretary/receptionists. Short-hand would be very useful but good, accurate typing and w.p. experience is essential. Of course there are the usual generous banking benefits, including mortgage subsidy. Age 25-36.

**Bernadette of Bond St.**  
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11, Bond Street in Piccadilly  
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**LIQUID GOLD**  
**£11,000**

This highly successful oil and gas exploration company requires a well educated and competent secretary to work for one of their senior managers.

You will be joining a professional yet informal environment located in beautiful offices in Mayfair where you will be responsible for the smooth running of the department. This will involve all organisational and administrative matters as well as providing secretarial support.

You should be educated to a level standard and have a minimum of 5 years solid experience and know all an outgoing personality and flexible attitude. Age 25-30. Skills: 90/60 + WP.

West End Office  
01-629 9686

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This ambitious and entrepreneurial group, with interests ranging from food to furniture, is looking for a senior PA who will match their commitment and enthusiasm.

Your major task will be to manage all the administrative, secretarial and liaison work involved in the take-over of new companies (currently numbering at two a month). An eye for detail and the ability to grow with the company are essential for this position.

Skills: 90/50 Age: 25-35

**CITY OFFICE**  
726 8491

**ANGELA MORTIMER**

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Busy Senior Partner requires exp audio sec with fast accurate typing. Must be presentable and well spoken as facing with VIP's in person and by telephone. Languages useful. Salary £9,500.

Ring Marks at RPL on 01 588 6722 (Agt)

**RECEPTIONIST/TELEPHONIST**

Required for securities dealing firm with attractive offices in the City. Candidate should be well presented and well spoken. Good typing ability is essential and word processing experience would be useful (training given if necessary). Hours 9-6.

The company offers a salary of circa £9,500 plus non contributory pension scheme, BUPA, free lunches, interest free season ticket loan and membership of the sports club.

Candidate should contact **Mary McInerney** on 01 247 4811.

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Take on the responsibility for processing orders and supporting any problems when you join this leading computer company. As an invaluable part of the team you will liaise between customers, sales and distribution staff with sales admin experience preferably within the computer industry, aged 25-35.

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A professional secretary required to assist in the Chairmans office of this large Communications Group. A challenging role - you will be dealing with confidential information, liaising at top-level and providing full secretarial support. Excellent skills (100/60). Age: 20+. Please telephone 01-409 1232.

Recruitment Consultants

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Rare opportunity for an ambitious social climbing Sec. who has the correct educational standing and would enjoy working for a busy, high flying Director of well known City Group. For details call Mrs May, Acme House 88 Cannon St, EC4 0 623 3863

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Specialist typing skills into Training Administration for ambitious and capable secretary to assist this busy team with all aspects of Course and Seminar arrangements. Good typing essential. Call 598 5161

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A senior person will be required as secretary to the Director of an international Company situated in the Cotswolds. Applicants must be able to work on own initiative and have good shorthand and typing speeds. Salary commensurate with importance of job and capabilities of applicant. Applications in writing BOX E54.

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Young but sophisticated PA for General Manager of exclusive club. High admin content. Must be versatile, calm when under pressure. Flexible hours to suit. Superb surroundings and benefits. Should have good skills for internal use.

Ring Suzanne 01 248 5211. Staff Plan. Rec Cons.

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(100/50) required for Chairmans office in luxury resort. Age Immaterial - good skills & ability to cope under pressure more important. Word Processing experience would be useful. Apply in writing with full CV to

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**SOMERVILLE & SIMPSON LTD**  
**ART DEALERS**  
11 Saville Row  
London W1

Require a PA/sec. Working for two Directors. Lots of client contact. Experience preferred but not essential. Salary negotiable. Please send full CV.

No agencies.

Small, friendly, newly-formed Property Development Company in delightful Mayfair offices needs an energetic, enthusiastic, and well organised secretary. Salary - circa £9,000. Non Smoker essential. Please telephone **Jane Buttie** (01) 408 1188

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Expanding PR Consultancy requires bright and personable secretary to work in Consumer Division. Shorthand, good use of English and willing to work late when required in a young ambitious team.

Initiative vital. Some research involved. Salary negotiable; benefits; annual bonus; promotion prospects.

Please apply in writing enclosing curriculum vitae and present salary details to **Jan Comer**  
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London EC4V 5DE

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Marketing Group in remote location seeks Executive Secretary with commensurate fluency in French, German, Spanish and Russian. Training on offer.

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Requires secretary for general manager. Must have fluent German or French.

Excellent typing/shorthand skills with knowledge of WP. Join young international team. Plenty of client contact.

Contact  
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Socially confident 24+ PA/Sec with S/H for a Director of top name Executive Search Client. Most interesting work with scope and variety.

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Mature person (over 30) required full time as soon as possible to deal with the Headmistress's correspondence and organise the school office. This is an important job which demands discretion in handling confidential matters, tact in dealing with many different people, experience of modern office practice and a lot of stamina for a full, but never dull day.

Please apply with a full CV and names of two referees to the Headmistress, **James Allen's Girls' School,** East Dulwich Grove, London SE22 8TE.

**PA/PRIVATE SECRETARY**  
**Up to £12,000 plus benefits**  
To dynamic entrepreneur/diplomat  
Good Secretarial and organisational skills are required for this responsible position as well as good knowledge of French and German. Lushy offices near Marble Arch.

Tel 0344-772362  
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**EURO PORTUGUESE**  
**£11,500**

Reputable City bank seeks an experienced Senior Sec/ Administrator with Euro-Portuguese to mother tongue and good secretarial skills (SH not ess) and a stable work record would be req'd for this highly responsible and varied position.

**BOYCE BILINGUAL**  
(Emp Agt)  
236 5581

**SEC/PA**  
**to £11,000 - W1**

Large TV Network requires professional secretary with excellent shorthand/typing skills who is well informed and interested in current affairs for this career position. Previous TV or editorial experience a decided asset. Age 25-40.

Phone Jenny on 495 2242  
Beavers Ltd (Rec Cons)

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Award winning production co. needs capable all rounder. Good typing, slow shorthand acceptable, vibrant personality and common sense a must. £29,500.

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**£8000**

Award winning, much quoted famous weekly magazine has openings for well educated 2nd Jobber Secs on their Foreign Desk assisting editors and journalists, and on their Promotions and Publicity Team producing creative marketing for the magazine.

353 0127 107-110 Fleet Street EC4

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**£10,000**

Bright Designer needs a right-hand PA to organize his activities. A confident Secretary/PA's required for one of the fastest growing companies in the UK. Main products are computer based. Previous knowledge not essential as long as you have a thirst for learning. Senior salary £11,000 neg. Junior salary £9,000 neg.

Tel 01 482 4611 for more information.

**MATERNAL (PATERNAL)**

Two leading, friendly, reputable, maternal/paternal, reliable, ambitious, energetic, vibrant, bright, conscientious Secretary/PA's required for one of the fastest growing companies in the UK. Main products are computer based. Previous knowledge not essential as long as you have a thirst for learning. Senior salary £11,000 neg. Junior salary £9,000 neg.

Tel 01 482 4611 for more information.

**DIRECTORS PA**  
**£11,000**

Urgent will be busy and varied work for the Director of the International Company in the City. You'll be organising meetings, liaising with government departments, and typing letters on Wang WP. You'll need English, excellent typing skills. Age 25-35.

Send immediate response to: **John Howard** Telephone 01-482 5723. Recruiters' Clubhouse

**PRODUCTION ASSISTANT/SEC**

Well educated 24+ year old with French typing and sound TV/PA skills to work for a top London theatre based in a superb set for the Theatre Royal, TV and PA's. A team player who is able to take initiative and can back-up the Production Controller & Director. Call Barry on 495-1611

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RECRUITMENT LIMITED

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**Up to £12,000 plus benefits**  
To dynamic entrepreneur/diplomat  
Good Secretarial and organisational skills are required for this responsible position as well as good knowledge of French and German. Lushy offices near Marble Arch.

Tel 0344-772362  
(week & weekends)

**SEC/PA**  
**to £11,000 - W1**

Large TV Network requires professional secretary with excellent shorthand/typing skills who is well informed and interested in current affairs for this career position. Previous TV or editorial experience a decided asset. Age 25-40.

Phone Jenny on 495 2242  
Beavers Ltd (Rec Cons)

**INVOLVEMENT! SH PA SEC**  
**£18 - £12,000**

Top involvement can be achieved in the new department of an established company if you have good secretarial skills in English and French. Good typing and shorthand skills are essential. Ring Angela for full details. Tel 734 7822. Kingsland Palace.

**PA/SEC**  
**£13,500**

for major US stockbroker. Money driven but good secretarial skills (100/50) essential, and preferably a City background.

Apply to:  
**The Susan Mills Practice**  
Rec Cons.  
Telephone 242-3276.

**IN A CAREER STEP IN THE CITY**

History will see the 2 young, vibrant, energetic, and ambitious secretaries in the top of the City. Light on figure with excellent typing skills. A levels and good secretarial skills required. £10,000 + excellent bonus.

Call us now for more details.  
01-408 0424

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Are you No. 1 choice for top PA Secretaries? Only simply because we offer the best Permanent and Temporary opportunities.

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**JOYCE GUINNESS**  
21 Shaftbury Avenue, London W1D 1ND

**FLM PRODUCTION RECEPTIONIST**

Please no budding producers or assistants! But, a sophisticated, experienced, well presented front office receptionist, who will be working with people totally unaccustomed and able to handle many unexpected situations in a busy office atmosphere. Some typing needed. £7,500.

01-489 6566

01-489 6566



# Pretoria asks International Red Cross to leave country

From Ray Kennedy, Johannesburg

South Africa yesterday requested the International Red Cross (IRC) mission to leave the country as soon as possible, following the suspension of the South African government delegation from an IRC conference in Geneva on Saturday.

The mission consists of 25 Swiss nationals with offices in Pretoria and Windhoek, the capital of Namibia, and they have quasi-diplomatic status in terms of international procedure.

The South African Government's request to them to leave is the first action it has taken at near-diplomatic level since international pressure was intensified to compel it to speed up the pace of racial reform.

Mr Angelo Gnaediner, the acting head of the mission, said in Pretoria yesterday that he was in touch with IRC headquarters in Geneva and was awaiting instructions.

The Geneva conference voted 159 to 25, with eight abstentions, for a Kenyan proposal demanding the suspension of the South African government delegation. The conference is being attended by more than 300 government and non-government national Red Cross and Red Crescent Society delegates.

The International Committee of the Red Cross, the all-Swiss arm of the organization, refused to vote as it opposed the precedent which would be set by the issue, which was forced on the conference by a bloc of about 50 African and Communist states which threatened to stage a walk-out.

The IRC mission in South Africa has been involved in securing the release of hostages, including a number of Britons, taken by the Unita rebels in Angola, and also in prisoner of war exchanges between South Africa and Angola, the plight of refugees from Mozambique and the well-being of political prisoners held under security laws in South Africa.

It has also provided funding for the South African Red Cross Society, part of the IRC movement, particularly for a 14 million rand (£3.5 million) community organizers' pro-

# A state obsessed with executions

From Michael Binyon, Los Angeles

The Governor of California, commanding a state of 26 million people and an economy that ranks among the world's top 10 nations, is *ipso facto* a figure of national importance.

So if Mr Tom Bradley, the Democratic Mayor of Los Angeles, wrists the office from Governor George Deukmejian next month, he will not only become the first black governor in US history, but also the first black to hold an office that could be a stepping stone to the White House.

Four years ago Mr Bradley came close, losing by a mere 200,000 votes. This year he is hoping the replay will give him victory. It is a forlorn hope.

For Mr Deukmejian now has the advantage of incumbency and a record of solid achievement.

He has kept taxes down, added 1.7 million jobs to the economy, forged close links with business leaders and is running on a popular platform of cutting crime and holding down spending. Little wonder that polls give him a lead of about 10 per cent.

To many people Mr Deukmejian is a rather dull, grey figure, despite his lively Armenian background. Turning this



Governor George Deukmejian of California, left, and his challenger, Mr Tom Bradley, Mayor of Los Angeles

California, are convinced that any Democrat is a big spender, and that a black will be more markedly so.

Mr Deukmejian put Mr Bradley on the defensive by pointing to four tax rises he has ordered during his mayoral tenure.

Republicans have been sensible enough not to allow ethnic references to intrude into the campaign. In a society as mixed as California's, any hint of disparagement of minorities would unify every Korean, Hispanic and Vietnamese behind Mr Bradley.

of death" was music to the Deukmejian campaign.

Mr Bradley is again in a difficult position here. Knowing the support for executions even from blacks and Hispanics, he has distanced himself from Chief Justice Bird, but not enough to overcome the polarization on the issue.

He counter-attacks with a campaign on tougher environmental control and toxic waste, another issue popular in smog-bombed Los Angeles and California as a whole.

But Mr Deukmejian has side-stepped the trap by denouncing the exemptions in the proposed tougher laws.

The gubernatorial campaign, like that for the Senate, is dominated by television and by negative advertising, with each side lambasting the other.

Unfortunately for the public relations men, each is personally respected, popular and boringly unflamboyant.

It is hardly the zany knock-about the rest of America associates with California. But here the days of trendiness have been superseded by comfortable prosperity. And Governor George Deukmejian seems set to slobber in four more years of the same.

## US MID-TERM ELECTIONS

Los Angeles, balancing the budget for 13 years and luring the successful 1984 Olympics without spending any tax dollars.

But, although racism has happily been kept out of the campaign, most whites, especially the elderly in southern

# Record deal to cut grain harvest

Washington — The United States has announced the largest programme in history for paying farmers not to grow corn, barley and oats, which could result in 10 million acres of land lying fallow next year. The move comes in the midst of America's second largest corn harvest (Christopher Thomas writes).

The scheme was announced less than two weeks before the mid-term elections, as an obvious gesture to try to help beleaguered Republican candidates from the Middle West and other areas with large agricultural industries.

Farmers will be offered \$2 a bushel for not growing the grains, which the Department of Agriculture said was likely to cost between \$1 billion and \$2 billion next year.

## Thai airliner blast theory

Osaka (Reuters) — A Thai airliner made an emergency landing at Osaka with 40 injured people, and police said a mechanical problem could have caused a mid-air explosion.

The Thai International Airbus carried 233 passengers and 13 crew on a scheduled flight from Bangkok and Manila to Osaka.

## American goes East

West Berlin (Reuters) — East Berlin guards arrested an American who ran through a border crossing from the US sector of West Berlin.

A West Berlin police spokesman said that Mr John Runnings of Seattle, aged 68, who made his dash through Checkpoint Charlie, had made several previous attempts to enter East Berlin to protest at the division of the former German capital.

## Bus tragedy

Blulaway (AP) — At least 26 people were killed and 45 injured when a bus and a lorry collided head-on in the Bubiya area of southern Zimbabwe.

## College death

Lagos (AFP) — Authorities in Nigeria's eastern state of Imo ordered the closure of Ahiara technical college after a group thought to be students attacked security officials, killing one and injuring at least three others.

## Search off

Canberra (Reuters) — Rescuers called off a search for 18 crew members and passengers from a Taiwanese trawler that sank off Western Australia.

## Grenada's day

St John's, Grenada (Reuters) — Grenadians marked the third anniversary of a US-led invasion of their island with a Thanksgiving Day holiday.

## 13 go home

Paris (AFP) — Thirteen supporters of former Algerian president, Ahmed Ben Bella, have been allowed home after a threat to expel them from France was lifted.

## Squatter clash

Hamburg (Reuters) — More than 300 police clashed with demonstrators after evicting and arresting 25 squatters from a city house.

## Fan killed

Larissa (AP) — A football fan aged 29 was struck by a flare and killed before the start of a first division match in this central Greek city.

## Troops leave

La Paz (Reuters) — US troops have started to leave Bolivia after backing an anti-communist drive, and a leading official said Washington had agreed to provide more than \$100 million to continue the eradication campaign.

## Aid denial

Addis Ababa (Reuters) — Ethiopia rejected accusations by the Sudanese Prime Minister, Mr Sadeq al-Mahdi, that it was backing rebels in southern Sudan.

## Envoys move

Abidjan (Reuters) — The Ivory Coast is to move its embassy in Israel from Jerusalem to Tel Aviv, a senior government official said.

## Five sacked

Moscow (Reuters) — Five senior Communist Party officials have been removed from their posts in Soviet Moldova, whose leadership is under fire from Moscow for failing to stamp out corruption and doctoring figures.

## Air protest

Tokyo (AP) — More than 2,600 local farmers, radical leftists and others rallied to protest against the planned expansion of Tokyo's international airport at Narita, but 10,000 riot police kept them away from the airport.

# Mourners defy Eta's warning

From Our Own Correspondent, Madrid

Señor Narcis Serra, the Spanish Defence Minister, and senior officers of the armed forces attended the funeral in San Sebastian yesterday of General Rafael Garrido, his wife, and their son, aged 16, who were all killed in an Eta bomb attack there on Saturday morning.

The military men were all ignoring a direct warning by the Basque separatist organization that it would continue to attack military targets until the Madrid Government agrees to negotiate.

Señor Felipe González, the Prime Minister, who got the news while meeting his Portuguese colleague in northern Portugal, looked visibly shaken when he described Eta to Spanish journalists accompanying him as "a mafia", and insisted there could be no negotiations.

After a tense service, at which 20 Basque priests officiated, there were vigils for the Spanish Army but no political demonstrations.

San Sebastian's mayor had emphasized that the general had been a democrat.

Saturday was also the seventh anniversary of the Statute of Guernica, the legal basis for Basque home rule, which has been rejected by the separatists.

General Garrido, who had asked to be appointed Governor of the Guipuzcoa military region, was the second holder of that post to be assassinated.

Two young men on a motorcycle and wearing crash helmets had drawn alongside the general's car as it was waiting at traffic lights to turn into San Sebastian's main boulevard.

They threw the bomb on to the roof, the only part of the vehicle that was not reinforced, police said yesterday.

The general's army driver and 14 other people were injured, including a boy aged two.

Nine of them were taken to hospital, where a Portuguese woman, aged 29, was said to be in a serious condition.

In order to emphasize the further radicalization of the Basque situation, the extreme left-wing Basque nationalist Herri Batasuna party, the political arm of Eta, brought 25,000 people on to the streets of Bilbao on Saturday evening to support the terrorists' demand for the Socialist Government to negotiate.

In Victoria, the Basque capital, there was another demonstration at the same time, by all the other political parties, to demand that Eta should free an elderly Basque industrialist kidnapped 11 days ago.

There is only a little more than a month to go before the Basque people go to the polls to elect a new regional parliament.



General Rafael Garrido Gil, the military governor of Guipuzcoa, who was killed by a bomb in San Sebastian, along with his wife and son, and the car in which they were travelling when two men on a motorcycle placed a bomb on the roof.

# Iberian leaders agree on closer links

From Richard Wigg, Guimarães

The prime ministers of Spain and Portugal, at a weekend meeting here, pledged their countries to a new degree of economic co-ordination now that both are members of the European Economic Community.

The two Iberian nations, which historically have "had their backs to each other," have accepted the inevitability of closer co-operation, aides emphasized after the 24-hour meeting. The delegations included the foreign and economics ministers.

This was the first such top-level meeting between the two countries since they joined the EEC last January. It was devoted largely to reviewing the long-term implications of the Community framework.

Señor Felipe González, the Spanish Prime Minister, spoke of a "Copernican

revolution." In the view of Professor Anibal Cavaco Silva, who heads a minority Government in a country still deeply suspicious of its more powerful neighbour, the meeting represented a "big step forward".

The Portuguese had chosen as the site for the talks an ancient monastery overlooking Guimarães, "the cradle of the Portuguese nation", and nowadays the centre of a textile and shoe manufacturing region of northern Portugal which competes for markets with identical Spanish products.

Professor Cavaco Silva immediately picked up the undertaking saying he took it to mean that Spain would remove all obstacles to Portuguese exports.

However, trade experts in Lisbon point out that Portugal faces a structural problem: it has to import from Spain the machinery it does not produce

locally, while its exports run up against Spain's protective trade barriers, which are only beginning to come down now since it joined the EEC.

One reason why the Guimaraes meeting went successfully was that Brussels had already resolved the two Iberian nations' long-standing fishing dispute, and arbitrated another conflict in Portugal's favour, reducing from 60-70 per cent to around 30-35 per cent the level of Portuguese input required in certain industrial goods if they are to enter Spain with zero tariffs.

Electronics and domestic electrical appliances are among Portugal's fastest-expanding exports.

Señor González signalled greater flexibility over some textile items from Portugal, but he must tread gingerly because of the Socialist vote in Catalonia, the big centre of Spain's textile industry.

# Protection for pupils in Soweto

Johannesburg (Reuters) — Police will provide protection for black pupils taking school-leaving examinations in Soweto township today after fellow blacks disrupted the tests last week.

The Department of Education and Training said guards would be posted at examination centres which had been stormed on Friday by black youths armed with whips and knives.

Several people were hurt when the youths beat students and teachers and tore up examination papers.

Witnesses identified the attackers as militant "comrades" opposed to the Government's education policies, which they regard as preparing blacks for an inferior place in society.

Government officials said manpower shortages had prevented police protection earlier.

# Mugabe warning to Botha

The Prime Minister of Zimbabwe, Mr Robert Mugabe, yesterday warned South Africa's President, Mr P. W. Botha, that Zimbabweans would "ride to the last man" rather than let the right-wing Mozambique Resistance Movement take power following President Samora Machel's death.

In an emotional speech to 45,000 people at a memorial rally for the Mozambican president in Harare's Rufto stadium, Mr Mugabe recalled the key role Mr Machel played in providing Zimbabwean guerrillas with bases after Mozambique's independence from Portugal in 1975, and his refusal to recognize any compromise with Mr Ian Smith's Rhodesian government.

"Zimbabwe will never, ever allow a situation when the MNR takes over control in Mozambique," said Mr Mugabe. "Let Botha get that quite straight."

Mozambique's sovereignty was Zimbabwe's sovereignty.

Mr Mugabe's pledge appears to be a public response to the request by Mozambique's beleaguered Frelimo Government, for extra Zimbabwean troops to help repel the current rebel offensive, alleged to be emanating from secret bases in Malawi.

A force of at least 5,000 British-trained Zimbabweans has been adopted a largely defensive role in Mozambique over the past nine months, protecting the front line States' vital road, rail and oil pipeline links with the port of Beira, which is their only major outlet to the sea other than the South African ports.

# SPD acclaims Rau's election programme

From John England, Bonn

Only two weeks after suffering a state election thrashing in Bavaria, West Germany's Social Democrats (SPD) bounced back off the ropes on Saturday with a programme for government in Bonn following the federal poll in January.

The programme, covering the years 1987-91, was unveiled at a pre-election conference in Offenbach, in the Black Forest, by Herr Johannes Rau, the SPD's candidate for Chancellor, who said the present Government was unable to build a good future for all West Germans.

He called on delegates to win over citizens at all levels to an "alliance of common sense" with the party. The 440 delegates applauded his fighting speech and adopted the programme unanimously.

According to the programme, Herr Rau, as Chancellor, would put more emphasis on East-West German interests in East-West disarmament talks. The two superpowers would be called upon to remove all their medium-range missiles in Europe without delay.

Deployment of short-range missiles should be frozen, and negotiations for the removal of those *in situ* should be started. An SPD government would also renounce Bonn's agreement with Washington on Star Wars research.

The SPD's blueprint for a return to power, however, concerns itself mainly with domestic issues.

# Anti-abortion centre fined

From Paul Vallely, Houston

Strategically situated near abortion clinics throughout the United States are Problem Pregnancy Centres which, at first glance, look like rival agencies. In reality the centres are run by religiously motivated anti-abortion groups.

In recent weeks the attention of the two lobbies was focused upon Texas and the nation's first prosecution of a Problem Pregnancy Centre under laws regulating deceptive trade practices.

Both lobbies have now halted the result, in which the centre was found guilty and fined \$39,000 (£27,000), as a milestone. Mr Steve Gardner, the district attorney responsible for the prosecution, said that the decision "sends a

strong message to clinics across the country — don't lie to pregnant women in the names of facts, help, God or anybody".

The clinic had asserted that in pursuit of its religious beliefs it had a right to lie. "They have no such rights," he said.

The Texas clinic, like most of the others, is affiliated to the Pearson Foundation which produces a booklet, entered in evidence in the case, on "How to operate a pro-life center that looks and sounds like an abortion clinic".

Its stated principles make clear its opposition to the "silent abortion" of the pill and the IUD.

Pro-abortion campaigners who visited other centres claim that its information to pregnant women is misleading. One showed a film of a woman passing out and having convulsions during an abortion. In another, women were told that they would probably become sterile after an abortion.

Mr Charles Pelletier, who runs the Texas centre, prefers to avoid use of the word "deception". "We call it evasion and see nothing wrong with that," he said.

Mr Pelletier has lodged an appeal based on the legal point of whether, as a non-profit making body, the clinic falls within the jurisdiction of deceptive trading laws.

# Geneva unhappy about decision

From Alan McGregor, Geneva

The International Committee of the Red Cross (ICRC) said yesterday that it regretted Pretoria's decision to expel the International Red Cross mission from South Africa, and feared that the country's exclusion from the Red Cross conference in Geneva "risks having serious consequences for the people we are helping and protecting".

It pointed out that in addition to visiting some 300 prisoners sentenced under the security laws, the delegates assisted the South African Red Cross Society, which has not been excluded from the conference, and provided aid for about 20,000 refugees from Mozambique.

The ICRC statement underlined that Red Cross statutes preclude expulsion from the general conference, attended by delegations from 123 governments (of 165 signatories) and 137 National Red Cross or Red Crescent societies (seven not participating).

It was on this point of legitimacy that the conference split. Kenya called on the assembly for a vote compelling the South African government delegates to leave.

After prolonged efforts for a compromise, the conference on Saturday voted 159 to 25, with eight abstentions, for the Kenyan proposal.

After the vote Mr Jeremy Shearer, South African Ambassador in Switzerland, stormed down the centre aisle of the conference hall.

While African delegates laughed derisively, he plucked his metal conference badge and delegation identification card from his lapel and threw them in front of Mr Alexandre Hay, the IRC president, saying: "It is not we who are

humiliated." He then quit the hall.

He rejoined the other three members of his delegation for the result of the roll-call vote and again tried vainly to address the 1,000 delegates.

"The Red Cross has sadly demonstrated today it can no longer guarantee total adherence by members to its statutes and principles," he said in a written statement.

"This failure calls into question its ability to play a neutral role in international conflicts."

A subsequent Australian motion, on behalf of Western Red Cross societies, to suspend the conference — held once every four years — to an unspecified later date was voted in in secret ballot, with 178 against, 52 for and five abstentions.

African delegates were in no mood to be balked by legalities, though some critical eyebrows were raised at the assertion by Mr Dimitri Vassiliou, the President of Soviet Red Cross, to the effect that if an exclusion vote was contrary to the statutes "then let us improve our rules of procedure". "This," he added, "is a thermo-nuclear era with need for dynamic action."

While the African Red Cross delegations voted with their governments, as did those from Asian and Arab countries — also of course the Soviet bloc — many Latin American Red Cross representatives did not participate in the exclusion vote.

The conference continues today after delegates relaxed yesterday with an excursion to Les Diablerets, 3,800 ft up in the Vaudois Alps, where they cooled off in near-freezing temperatures, surrounded by the first snows of winter.

# Maputo says farewell to Machel

Maputo (AFP) — Thousands of Mozambicans filled the capital's Independence Square yesterday to file past the body of President Samora Machel, killed in a plane crash in South Africa.

Brought in by buses to Samora Machel Avenue, a wide street overlooking City Hall, where the body was lying, Maputo Bay, they formed quiet queues in the blazing sun, ushered by marshals.

Red Cross volunteers tended to weeping women who had collapsed as they left the hall, or those who fainted

# Maputo says farewell to Machel

At least 12 heads of state are expected for the funeral, including the leaders of the five other frontline states.

Britain will be represented by Mrs Lynda Chalker, Minister of State at the Foreign Office, and the United States by President Reagan's daughter, Maureen. The Soviet Union is sending Mr Geydar Aliyev, a Deputy Prime Minister and Politburo member.

The African National Congress (ANC) of South Africa, the main guerrilla group, is represented by a large delegation headed by its president, Mr Oliver Tambo.

in the side corridors off the gallery where the body was lying in state. Thousands signed condolence books.

The body of the President and 19 other people killed in the crash have been lying in state since Friday. The President's state funeral will be tomorrow, followed by the others on Wednesday.

The city streets were quiet, with all flags at half-mast and the radio still playing solemn music. The air, with what one official described as help "amounting to an airlift" from Zimbabwe and Angola.

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THE ARTS

CHRISTIE'S

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Claudio Abbado (left) has been quick to make his mark in one of the hottest seats in all opera: John Higgins reviews the new Vienna Un ballo in maschera - much enhanced by Luciano Pavarotti (right) as Gustavo - and investigates Abbado's hopes and plans

Orchestral ace in his element

Completed his first week in full public view as Music Director of the Vienna State Opera. He has conducted his first new production there, Verdi's Un ballo in maschera, as well as a revival of another Verdi opera with which he has long been associated, Simon Boccanegra. There is no trickier opera-house in Europe to command either in political or in public terms, as the outgoing Music Director, Lorin Maazel would no doubt agree. But Abbado comes much better qualified than most he arrives here. He learnt much of his music here as a student and a long period at La Scala taught him a lot about musical diplomacy. This autumn the honeymoon with Vienna is surely on.

seemed to come out of an earlier era of interpretation when the least subtle gestures appeared to be the most appreciated. After Pavarotti the most satisfactory performance came from Ludmilla Schmetshuk as an Ulrica who could put the fear of prophecy into anyone who crossed her hand with a piece of silver. Some of the blame for the lack of dramatic impact on stage - as opposed to that in the pit - goes to the production team of Gianfranco de Bosio and Emanuele Luzzati, who together took a staid and middle-aged view of an opera which has no truck with such attitudes. Luzzati has grown up little since his Glyndebourne days of the late Sixties and early Seventies, when he employed a monotonous Toytown approach to everything. The sliding bits of cut-out scenery may evoke Drottningholm, a theatre to which Gustavus was much attached, but they lack any atmosphere until the final scene when the grotesque maskers at the ball stretch into an infinite distance to the waters of Stockholm itself. De Bosio contents himself with arranging his singers on stage and avoiding any dramatic reality. On Gallows Hill Gustavus and Ankarstrom merely exchange cloaks for the purposes of disguise and remain just the same from neck up.



Talking to The Times between performances, Abbado confirmed that he would be conducting no opera outside Austria before 1991. After a new Wozzeck for next summer's Vienna Festival there will be more Verdi: a Don Carlo, in Italian, with Freni, Baltsa and Bruson; then in 1990 Nabucco, an opera not previously heard at the Staatsoper. Rossini will be represented by L'Italiana. Giorgio Strehler is expected to be involved in one of the Verdis. Russian opera, another Abbado speciality, will be represented by Khovanshchina, also new to Vienna, and a Boris, probably with Burchardtzka, which will begin at the Salzburg Festival before moving east. Abbado's most immediate concern now, after Verdi, is with Schubert. He begins recording the Grasse Messe, a work he has not previously tackled, for DG tomorrow with a young cast led by Jerry Hadley and Karita Mattila: "It could just as easily have been a more mature one - Price and Schreier, say - for the Schubert Messe looks forward to Berlioz". Then there is the opera Fierrabras both for DG and the Staatsoper. Now that is a long step from Wozzeck and indeed from Ballo.

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Conductor Jacques Delacôte
Set Designer Gerard Howland
Costumes Deirdre Clancy
Lighting David Cunningham

Self-examination without misgivings

Radio has always had problems discussing its own output and has traditionally solved them by doing it as little as possible. The occasional play or, much more rarely, documentary gets discussion on Critics' Forum or Kaleidoscope but that has been about the limit of sound broadcasting's critical examination of itself. So the Radio Programme (Radio 4, Thursdays, repeating Sundays) is something of a pioneer: half an hour devoted to assessing what the medium has been up to, not only in the preceding week, but more generally in the way in which it makes its programmes. Laurie Taylor, not until now one of my favourite broadcasters, was to present. Each week would bring a new celebrity to talk about his or

RADIO

minor form of evangelism? Ms Dunant had been speaking to, among others, a voice therapist who suggested that, because they cannot be seen, announcers put the missing facial expression into their intonation. This leads to over-emphasis and the effect is much like that of adults talking to children. I greeted this opinion with a cry of recognition. That tone suggests an attitude to us, the listeners, as if on every possible occasion we needed to be reassured, cajoled, persuaded, mollified. Is this another indicator of radio's own sense of insecurity? Although in every other way Susan Hill's elevation to the

David Wade

low end of the age-range and her interviews, notably that with Kingsley Amis, radiate her interest, knowledge and enjoyment. But every now and then her manner to her listeners is a little over-winning, which is surely the last thing a natural winner needs to be. Among winners, I wish the runners-up in Radio Times's comedy writing competition had shown something like a touch of class. You Start - I'll Join In (Radio 4, Saturday) had some meagre jokes, a thin story and no characters to speak of. But there is worse news: its authors, David Bond and Paul Hawksbee, have a contract for more of the same. They had better throw away that competition script and start again.

ENTERTAINMENTS

Grid of entertainment listings including Concerts, Opera & Ballet, Theatres, and various theatre reviews.

Handwritten signature or note at the bottom of the page.



THE ARTS

A distorted martyrdom

THEATRE

Edward II Royal Exchange, Manchester

Bracketed by the solemn obsequies for two kings, Nicholas Hytner's version of Marlowe's play...

The appeal of this play over Faustus lies in its hint of a sexual self-portrait, and in its concomitant whiff of prolepsis with the atrocious, Orthodoxly apt murder of the king...

After learning of Gaveston's death, Edward renders the stage direction at "See how I do divorce Spencer"...

What Every Woman Knows Adam Smith Centre, Kirkcaldy

What every woman knew, according to J.M. Barrie, was that behind many a strong man lurked a stronger woman...

Creature comfort

When it comes to not hurting a fly, you cannot beat the Jains, the Indian religious sect based on the strictest belief in non-violence...

TELEVISION

Even photography is regarded as unnecessarily lethal, but fortunately for the makers of the programme enough Jains were prepared to tolerate some assassination to get their message across...

Being non-violent, however, does not prevent Jains from being smart at making money. In Smart Money, BBC's drama in honour of the Big Bang, much money was made non-violently if illegally...

Andrew Hislop



Edward with Gaveston: Ian McDiarmid (left), Michael Grandage

from a Benson and Hedges commercial) - he suffers the final indignity of having the murdered murderer Lightborn collapse on to his naked buttocks...

Even though sodomy was then a capital offence, Elizabethan audiences would surely have responded more to the political resonance of bad government than to the mere fact that the king was a queen...

dean aphorisms on the way. Barrie's subversive comedy must have struck home when it was first staged. Proffered now (by the Scottish Theatre Company on tour), it still offers all sorts of nuggets to chew on about the nature of ambition and chauvinism...

There is ample time to wonder in Tom Fleming's assured and well-measured production. The STC seem at

sexuality the nub of the earls' revolt (abetted by the interpolation of a rather tiresome sub-Fellini masque in Act I, and pointed up by Young Morimer's refusal to let Edward kiss him even on the forehead) has the effect of drawing up the battle-line off-centre. This would not matter if Mr McDiarmid - here a mannered, self-indulgent, essentially unserious actor - had the emotional range to articulate the vicissitudes of the king's downward slide...

Around him, however, there is much to enjoy. Brid Brennan's painfully intense Isabelle, Duncan Bell's spring-heeled Young Morimer, Adam Sunderland's raging Prince Edward, Tom Cairns's design has a vast hemispherical pod - twinkling with stars or weeping rain into the dungeon at Berkeley Castle - suspended over a ton of earth in a shallow circular pit. What with the obligatory standpipe and the players' propensity for flinging themselves to the ground, the laundry bill must be staggering.

Martin Cropper

Moore) appears as insubstantial as blancmange alongside such practical fare as Maggie (played with a crisp intelligence by Maureen Beattie) who lends constant ambivalence to her admiration of Benny Young's humourless John Shand.

If there is a central weakness in the production it is that you never quite believe in Shand's infatuation or in his transformation, or know how seriously they are pitched. But the message that the best weapons in life are a sense of humour and a degree of self-perspective has by no means aged in the last 80 years.

Sarah Hemming

The main thrust of the "early music" movement is drifting later and later. In David Munrow's heyday the nasal novelty of medieval sounds caught the public's imagination. Then Harmoncourt and others converted us to Bach played at a gallop. The current fascination is for original sonorities in Beethoven and his contemporaries.

This year's Early Music Centre Festival has certainly emphasized this trend: important Renaissance events have been rather overshadowed by the exhilarating opportunity to hear orchestral Weber on period instruments. Judged by that yardstick this concluding concert also seemed rather tame. The English Concert delivered mainstream baroque repertoire with customary sophistication, but there was little comparable sense of discovery here.

Indeed this festival finale would have been an anticlimax were it not for the inclusion of Telemann's Concerto for three oboes and three violins and Bach's Suite No 4. Telemann might be an irredeemable showman, pitting reed fanfares antiphonally against fiddle flourishes over the simplest of harmonic backgrounds. But this music is insidiously catchy, and it was significant that the performance was less polished than what had preceded it, yet far more spirited. Similarly the invigorating entry of drums and a trio of trumpets in the Bach seemed to embolden all the players to make more extrovert expressive gestures.

Elsewhere - in Purcell's incidental music for The Faerie Queene and Concerto grosso by Corelli and Handel - it was what one could not hear that often seemed most significant. There was hardly a "dynamic bulge" in evidence, for instance: that penchant for shaping all baroque phrases into heaving sighs now seems to be declining. More regrettable, Trevor Pinnock's own harpsichord playing was confined to curiously low-profile choral work. He barely undertook any melodic embellishments, even at the cadences joining the Handel movements.

Still, the Faerie Queene movements were stylishly contrasted - the slower ones being given quite a sensuous legato sheen. And in Corelli's Op 6 No 1 the concertino group (the violinists Simon Standage and Micaela Comber; the cellist Jaap ter Linden) skipped through the semiquaver sequences with a clean, light touch.

Richard Morrison

CONCERTS

English Concert/Pinnock Elizabeth Hall

turn the mental screw ever tighter. The Coull Quartet, who have a sinewy and pragmatic way with classics like the Mendelssohn (E flat, Op 12) and Schubert (D804) which flanked the new quartet, served Simpson particularly well. This was an unusually stimulating premiere, and the work must have all the repeated hearings it needs and deserves.

Unlike its predecessor, an invocation of peace, this quartet is turbulent, truculent and disturbing. In an intensive half-hour span - each movement runs into the next - there is scarcely a moment's relief. The passages of lyricism and release in between the massive, Beethovenian knottings of theme and key are stark and acerbic even in the last, remote Molto adagio pianissimo section, the textural emaciation shocks and disquietens.

The use of the tritone and what Simpson calls a "chromatic twist" flavour and unify the work from its concentrated start to its remote finish. By association, these are what manipulate the ear and the emotional responses. The contrapuntal severity and variety, and the devilish metamorphoses of the Scherzo,

Hilary Finch

LPO/Fischer Festival Hall

Most British critics demand to hear Bartok's Bluebeard's Castle in its original Hungarian. They argue that the rhythms of the music come from the Hungarian language and do not match English in any way.

In advance, the other major attraction had seemed to be the appearance of Maria Ewing as Judith, but she pulled out a couple of weeks ago. With Elizabeth Connell to hand there need have been no fears. Connell has the power and sure focus in her voice to ride Bartok's immense or-

Richard Fairman

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# Fighting off a killer called Slim



**AFRICA'S NEW AGONY**

Africa, the cradle of civilization, may also be the birthplace of a disease that could destroy it. Aids has laid claim to tens of thousands of African men, women and children and millions more

are in danger. Thomson Prentice, in a three part series, reports from central Africa on a desperate struggle against the new plague

**Part 1: A continent under siege**

The patients are gently lifted down from the back of open trucks that have brought them miles along dusty, pot-holed roads. Other people come, propped up by relatives, in battered taxis. Some, who have longer to live, manage to walk.

They are young men and women suddenly made old. Some are babies who will never reach childhood. They arrive at the crumbling steps of the Prince Louis Rwagasore clinic, a hospital named after an assassinated former ruler, to be taken along shadowy, humid corridors of flaking green.

Haggard mothers with sickly children clinging to their backs pass silent, brooding hours waiting for medical attention. But when their turn comes, there is little the doctors and nurses can give any of them but kindness.

The doctors at the clinic in Bujumbura, capital of the central African state of Burundi, call the disease by its French acronym, *Sida*. The emaciated sufferers refer to it as "Slim", a reference to its wasting effect. The rest of the world knows it as Aids.

A catastrophic epidemic of Aids is sweeping across Africa, scarring the face of the continent and killing thousands of men, women and children. The horrific picture, only now beginning to emerge, offers harsh truths and inescapable lessons for the rest of the world.

The disease has already infected several millions of Africans from the Atlantic coast to the Indian Ocean, posing colossal public health problems to more than 20 countries. Within the next few years, hundreds of thousands are doomed to die and the inevitable spread of the epidemic out of Africa will add to the fast-increasing worldwide toll.

The latest calculations show that Aids has struck in 69 countries around the globe. All the cases in the United States and Europe — about 25,000 — amount to less than half the estimated total in Africa. The numbers are expected to at least double every year unless radical prevention and control projects can be successfully introduced. The true shape of

the calamity will not be visible for several more years, because of the prolonged incubation period — three, five or more years — of the infection.

For every person who shows clinical symptoms, up to 100 others may be infected, according to American scientists. Vast populations of Africa thus face a human disaster that may soon overshadow the recent tragedies of famine and drought which have taken their own huge tolls and have only just been controlled, at enormous cost, through emergency international efforts.

Researchers are now calling for a similar response to combat the Aids epidemic. But whereas the starving can be fed, their lives saved through drugs and expert treatment, Aids offers no such hope as yet.

In the United States, where possibly 1.5 million people are believed to be carrying the virus, 23,000 cases have been diagnosed. By the end of 1986 about 18,000 will have died. In five years, experts predict there will be upwards of 150,000 deaths from some 270,000 cases.

In Britain, where specialists calculate there are about 30,000

**The problem cannot be monitored, let alone tackled**

carriers of the virus, the figures seem comparatively puny. By last month there were just 512 victims, of whom 250 had died. But American and British evidence shows that the figures are likely to double every 10 months. By the end of the decade, Britain will see about 450 deaths a month.

The scale of the African crisis, however, stuns the imagination. With no effective treatment available anywhere in the world, and no prospect of a vaccine for many years, most of the continent's poorest nations, such as Zaire, Rwanda and Burundi, are virtually powerless to stop the spread of the disease. For the foreseeable



Too young to know, too sick to move: Ugandan children, stricken with Aids, await their end inside a mud hut, far from doctors who could not help them much anyway

future, they will be confronted by a hideous, unmanageable disaster. In Kinshasa, capital of Zaire and with a population of more than three million, as many as 50,000 people are believed to be carrying the Aids virus. The authorities are extremely reluctant to publish figures. They have acknowledged 1,000 cases of Aids in Kinshasa, but many thousands more are believed to be dying from the disease.

In Uganda, one estimate puts the number of people at risk at four million. At least 500 are known to have died in the Rakai area, west of Lake Victoria. Hundreds more have perished in neighbouring Tanzania and there are similar tolls in Zambia and Kenya.

Individual governments are reluctant to acknowledge the real scale of their Aids epidemics. In some countries, the authorities simply do not have the resources or expertise to make accurate assessments. Most Central African states have fragile economies that cannot sustain adequate public health facilities, far less devote more money and manpower to a disease for which there is no known cure.

"If you had the choice of immunizing your country's children against measles, which kills hundreds of thousands of kids a

year, or spending the money on Aids with no visible benefit, which investment would you make?" one American doctor working on a vaccination programme asked.

Hospitals are unable to cope with the flood of patients demanding attention for malaria, cholera, tuberculosis, polio and other serious conditions, far less the new,



Victim: Charles Kasuli, among the 4 million Ugandans at risk

untreatable menace of Aids. Meagre health resources and chronic shortage of medical and scientific staff and equipment mean that the size of the problem cannot be monitored, let alone effectively tackled. The typical African Aids patient, if he or she ever gets as far as a hospital, is likely to be simply sent home to die.

The problem is made worse by the indiscriminate use of unsterilized equipment, the lack of screening of blood donations and, most of all, by ineffective or non-existent health education aimed at reducing sexual promiscuity. In Africa, Aids is essentially a heterosexually transmitted disease, as common among women as men. Homosexuality is rare, and dismissed as a significant contributory factor. The African evidence that the Human Immunodeficiency Virus (HIV) can be passed to women in semen, and to men from vaginal secretions, is now accepted without question by most researchers.

Whether or not the disease originated in central Africa — as many researchers suspect — or was imported from the US and Europe — as Africans prefer to believe — Aids is being exported virtually every day to the capital cities of the world. The World Health Organization

conservatively estimates that 50,000 Africans are now suffering from Aids, but leading specialists believe that the real figure is many times higher. "Aids has become a major health threat to all Africans and prevention and control of infection... must become an immediate public health priority for all African countries," the latest

**In Africa, Aids is a heterosexually transmitted disease**

report, soon to be published in a leading American scientific journal, says. The report warns that Africa's own resources are inadequate to deal with the epidemic. "Consequently, an international concerted effort will be necessary to prevent further dissemination of HIV infection."

"Unless the financial resources to support national Aids control programmes is made available, and unless information about Aids research — including vaccine development, anti-viral treatment and prevention programmes — are shared among scientists and public health officials of all countries, Aids will continue to spread

throughout the world, exacting its toll on the health of mankind."

Dr Tony Pinching, a leading British Aids specialist, said: "Many observers are unwilling to accept the obvious, if unpleasant conclusion, that Aids — or rather HIV — is heterosexually transmitted."

"If African countries had the resources available in the USA during the mid-1970s, we would have seen Aids emerging as a sexually transmitted disease, not dissimilar to syphilis. The rate of rise of the African epidemic among heterosexuals has been as rapid as that among North American and European homosexuals."

Writing in last month's *Journal of the Royal Society of Medicine*, Dr Pinching added: "Although the infection rate among heterosexuals is still very low in the US and Europe, current evidence, especially that from Africa, is sufficiently strong to justify taking preventive action, mainly by educating sexually active heterosexuals about the risk of Aids."

**TOMORROW**

**Burundi: the fight against promiscuity**

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WHEN YOU NEED US WE'LL BE LISTENING

## Who says jumping is for joy?

Forget the television image of the smiling jockey astride his triumphant mount acknowledging the cheers of the crowd: forget the annual orgy of Grand National excitement and the elegance of Cheltenham Gold Cup day, the colour of jockeys' silks and ladies' fashions blending with a crisp blue sky and the rolling green turf of the English countryside.

This sanitized, glamorized version of steeplechase racing has little to do with day to day reality. The life of a National Hunt jockey is a 10-month-long nightmare of danger, wet and cold, interrupted only occasionally by the kind of victory that makes it all worthwhile.

Steve Smith Eccles has had more than his share of the winning and the glamour. But even his life, at the successful end of the racing spectrum, appears from his diary to be a constant grind of pain, effort, disappointment and long, long hours on the road.

"I cover something like 50,000 miles a year. Most of the driving is done by night, because it's usually dark after the last race, and much of it is in winter, in the worst weather. It can be a real drag," he admits.

His diary of the 1985-86 racing season *Turf Account*, published this week (Macdonald, £9.95), makes fascinating, exuberant and sometimes grim reading. He drives for hours to some distant race track, only to be dumped by his horse at the first fence: he drives back, bruised, sore and depressed, knowing that the following morning he will have to rise early to goad his protesting body to some other far-off course for a possible repeat failure.

He has broken his neck, cracked his collar-bone six

**The life of a jockey sounds exciting. But in his new book, National Hunt rider Steve Smith Eccles (right) goes to great lengths to debunk the glamour of the steeplechasing world, telling of sheer hard work behind the danger and daring**



myself, because tomorrow, you know?"

In April he overdid the drinking of his sorrows; he rode a loser, quarrelled with his girlfriend and was told to sleep elsewhere — in the event, the back of his car. When he awoke and popped his head above the seat, he found he was in the hands of a joyrider.

But the next day, in the topsy-turvy tradition of steeplechasing, he was back in the saddle winning on Kathies Lad at Aintree.

Smith Eccles (his name is neither hyphenated nor upper class — his father was a miner, his grandfather an Eccles who adopted Smith to honour his foster parents) is no longer as ambitious as he once was. When John Francombe retired last year, Smith Eccles was considered his possible successor as champion jockey. He came only third last season, and no longer believes he will ever win the title.

"Once upon a time I used to ride anything, anywhere. Now I'm retained by the champion trainer Nicky Henderson, and I don't want to go chasing round the country riding

horses for the sake of it. And I'm not prepared to spend hours on the telephone to trainers trying to get spare rides. A few years ago I thought being champion jockey was the be all and end all of everything. Now, I just want to make a decent living, stay in one piece and enjoy myself."

After 16 years in the saddle, hundreds if not thousands of falls, and half a million miles behind the wheel, Smith Eccles still beams with enthusiasm for the sport.

"I still love what I do. I thrive on it. I like being famous and being on television and being successful. It's compensation for all the awful wet Mondays on no-hoppers at Leicester or Wolverhampton."

He is 31 now. "I consider I've got four, maybe five more seasons at the top. If I was to slip down the rungs of the ladder before then, I'd hang up my boots."

And do what? Smith Eccles

faces the dilemma of every jockey near the end of his career: "I'll consider training, but otherwise there's not much available for a jockey who wants to stay in racing. It's a pity there aren't more official jobs like starters or stewards. I think jockeys would make good ones. They know an awful lot more than some of the people doing the job now."

Smith Eccles recorded his daily thoughts on tape, often while driving, and gave them to journalist Alan Lee for editing. What he has left out was clearly rather than what has appeared. "There was a lot that just couldn't be used," he says with a slight leer. "The original tapes would be worth a fortune. And if they were ever released, I don't think my life would be worth much."

**Marcel Berlins**

© Times Newspapers Ltd 1986  
*Turf Account*, by Steve Smith Eccles, is published by Macdonald at £9.95

**CONCISE CROSSWORD NO 1090**

**ACROSS**

1. Meat jelly (5)
2. Splay support (7)
3. Wash through (9)
4. Smaller (7)
5. Sheltered (8)
6. Tam-tam (4)
7. Patriotism (4,7)
8. Flonk (4)
9. Possible (8)
10. Jewish homeland supporter (7)
11. Force (5)
12. Well-bred (7)
13. Scoundrel (5)

**DOWN**

1. Severe (6)
2. Sudden anxiety (5)
3. Draughts (8)
4. Volatile (13)
5. Sicilian volcano (4)
6. Feet lottery (7)
7. High praise (6)
8. Holy warrior (8)
9. Assiduous seasons (10)
10. Sharp turns (6)
11. Worship (6)
12. Fetch (5)
13. Don't-over-drive (11)

السنة 1385 هـ



Slim

# As seen over the digestives

Victoria Wood has tried normal life. She hated it. Now she is back to being extraordinary. She loves it. She brewed, mused and amused in the company of Bryan Appleyard

A couple of years ago Victoria Wood decided she would be just like all her neighbours in Lancashire. She would abandon the role of lonely writer and media type and live as they lived.

"I had two friends who wouldn't really acknowledge I was in show business at all," she recalls, "so I decided I would try to do really ordinary things. I used to visit their children at their playgroup, help them with their crayons, work at the jumble sales..."

"I hated sitting in somebody else's house getting marmalade on my bottom. I suppose I had felt guilty because I had more money than they did. Then I just decided it was stupid — you can only do what you do. But I still do my best to be ordinary..."

It is a serious problem. Her jokes, her plays, even her expressions all work because of the precision with which she captures "ordinary" life and everyday speech and then refines and distorts it. She is constantly being asked how she does her research — perhaps she travels on buses to capture snatches of pintresque dialogue?

"I love driving too much to do that. The only time I travel on a bus is if I'll probably catch a cab... The truth is that it seems to come naturally and the best thing for her to do is maintain her work rate, her standards and her calm, systematic discipline. Indeed, she seems appallingly well organized. For this interview she had put on her best black patent shoes. She had cleaned the borrowed flat and bought a packet of digestives to go with the Typhoo.

She was in the last week of recording her new television series and her book of scripts, *Up To You, Porky*, was about to come out in paperback. By the weekend she would be back home somewhere between Morecambe and Lancaster. She will not say exactly where because people tend to come knocking on the door.

Over the summer she was tied to London by the series. The flat belongs to the writer David Leland who, eight years ago, first encouraged her to write a play. Meanwhile her husband, Geoff Durkin — aka The Great Sorprendo — has been elsewhere with his work, which consists of impersonating a hysterical Spanish conjurer. And for most of the first half of the year she was alone again, at home working



Victoria out of the wood: transformed from a 'completely clueless' individual to a self-disciplined humorist

First it was a play, which she subsequently rejected as being too heavily under the influence of Alan Ayckbourn, then it was the series. Her writing day lasts from about 9.30am until about 4.30pm. She aims to finish 18 minutes' worth of script a week with Fridays left over for rewriting. If she has one bad day she has to rewrite on Saturdays. The routine, the discipline is everything.

"It's the only way I can get through. I'm insecure enough to wake up every morning convinced I'll never work again. But I'm cocky enough to know I will always think that but I will always manage it."

Until the age of 25, she was neither disciplined, tidy nor hardworking. She thinks much of her effort now is a way of assuaging her guilt at how little she did in the years after university. She was born in Prestwich, north of Manchester, and brought up in Bury. The daughter of an insurance underwriter, she was "clever in the infants" but then coasted lazily at grammar school before scraping into Birmingham University to read drama.

She had already veered towards comedy and had developed a vague notion of doing something like Joyce Grenfell. In the event it was her singing which won a *New Faces* television talent contest. She sat back and waited for the work to roll in. It didn't, partly because it seldom does and partly because of her odd

decision to appoint a retired band-leader from Hove as her manager. "He kept saying 'My girl doesn't do anything like that... so all I ever did was the occasional song on television.' For years she did virtually nothing but compose the odd funny song on topical subjects like Denis Healey's eyebrows. Finally she ended up at London's Bush Theatre where she moved into sketch writing and, at Leland's instigation, her first play. The rest is an eight-year history which produced plays, live shows and television series — the last won two Bafta awards — and turned her from a "completely clueless" individual into a self-made producer of some of the funniest lines around.

In fact, considered simply as a joke factory, she is the Nissan of show business. On television the density of the gags seems impressive enough; on the printed page it becomes clear that each line is so honed that, in effect, every one is a joke. And they may seem like one-liners but, in reality, they cannot be easily detached from the sketches. At her best she sounds like Joe Orton, the one playwright she remembers reading at university, with the same cast of confined characters speaking of their little miseries with grotesque literacy. Like Orton she is obsessed with tight, almost horrific little lives.

"Well," she says "there's no such thing as a comedy of approval where you write about things that strike you as right. You have got to see something wrong." But she never lampoons individuals. She may laugh, for example, at the foibles of television newsreaders in general, but alone they are not fair targets. "They're all right, they're just doing their best." And the terrifying shop assistants, moronic schoolgirls and "dim but beaming typists" who people her sketches are

feminine vision with its horror of banality and drudgery. But she is anxious to avoid any such easy conclusions. "If you're a man writing, your better characters tend to be men and it's the same for me. I can't, for example, just write as a man would that a secretary came into the room. I'd notice her. But it's just a different viewpoint, it doesn't mean you're a different kind of writer. I mean I know I can attack things men can't attack. But it's just the same as making jokes about fat people because you're fat. I couldn't do it if I was thin — I think I would feel very sorry for fat people and never mention it at all."

The brevity of the sketches, of course, means that this can only be demonstrated briefly and savagely. In her plays the jokes were allowed to develop a more poignant quality, like the fat, plain girl with the sticker on her car windscreen which said "Maureen" on her side and nothing on the other. But she now knows the plays suffered from her own fluency in writing jokes — she would stick them in even when they interrupted the flow. She is now confident enough about her gag-writing ability to feel she can allow a play to develop its own rhythm. The sub-Ayckbourn number has been assigned to a drawer and in January she will start writing a full-length play again. She has the idea and she is convinced that it is solid Wood this time. Meanwhile she will not read reviews of the book or the series and she will certainly not read this interview.

"I don't want to know how people perceive me. Whatever they say will not coincide with what I have in my head. I don't like to think about the effect I'm having on people. "It even knocked me off course when I won those two Baftas — I had to put mine away, it was so upsetting. I hadn't been very pleased with what I had written and to get a prize for it made me think it was good after all and that what I was writing now wasn't as good. And that's nonsense because it is."

Up To You, Porky: Victoria Wood Sketchbook is published by Methuen in paperback at £2.95 and hardback at £4.95. Lucky Bag: The Victoria Wood Songbook is being reissued by Methuen at £4.95 paperback and £9.95 hardback. Victoria Wood — As Seen On TV begins on November 10 (BBC2).

It might be seen as a specifically "One thing I do take seriously is people who are miserable"

representatives of the straitened lives of millions. "One thing I do take seriously is miserable people. I see it happening. Very few people are living a rich life. People seem to live on a very shallow level, not because they want to. I feel lucky. I go to work. I have a lot of fun with people I like. Lots of different things happen and then I come home and weed the garden. I can do a million different things in the course of a day and they will all be good. And then I think, well, suppose I was in a house I didn't like with noise coming through the walls or I had a job where I couldn't talk to people and nothing happened. There would be all these strands missing out of the day."

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## PLAY ON WORDS

From "Cleaning", a sketch in *Up To You, Porky*

A large messy, striped-pine kitchen. Ursula, a large, messy lady novelist in a smock sits drinking tea with Kent, a disdainful Northern man.

Ursula: You know, it's amazing: you're the only person who's answered the advert. I just cannot get a cleaner. I'm afraid it's all rather neglected in here.

Kent: Well, yes, I was just admiring that blue mink hat, but I see now it's a moultly piece.

Ursula: I'm a novelist, and it's so hard to do everything. Is the tea all right?

Kent: Not really.

Ursula: Oh sorry, is it too strong?

Kent: I'm just a bit perturbed by the way it's taken the tartness off this teaspoon.

Ursula: Biscuit?

Kent: Have they got chemicals in?

Ursula: Preservatives?

Kent: I was hoping for disinfectant.

Ursula: No, I baked them myself.

Kent: I bet Mr Kipling's worried.

Ursula: Aren't you going to finish it?

Kent: I'll keep it by me — you never know, I may need to force a lock.

# Homing in on our little ways

We speak the same language, but for some Americans Britain is hard to comprehend

It is Orientation Day at the American Church in London's Tottenham Court Road, an annual get-together designed to help people like Joann, a glossily made-up blonde whose husband works for a computer company. Transported to Gerrards Cross from a Minnesota suburb, she confesses to spending most of the day grocery shopping, so bewildering does she find it all.

"I miss the television, too," she says. "We have cable where I live so you could watch news all day long. I always felt I was in touch with somebody."

Culture Shock — which was "discovered" by an American 30 years ago — is a growth industry. And Barbara Follett, a specialist in something called Cross-Cultural Communications, delicately guides her audience of some 250 women through some of the niceties involved.

"Americans touch a lot. The British don't like being touched," she warns. "If you want to get something out of an Englishman, don't approach too closely. The comfortable distance for them to talk to you is at arm's length."

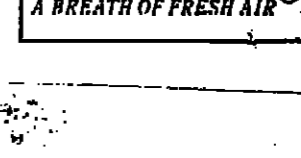
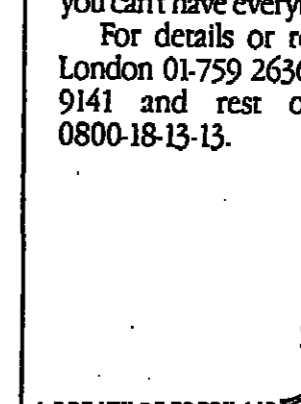
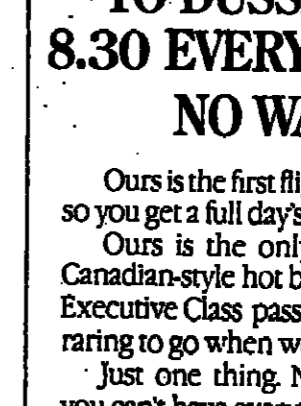
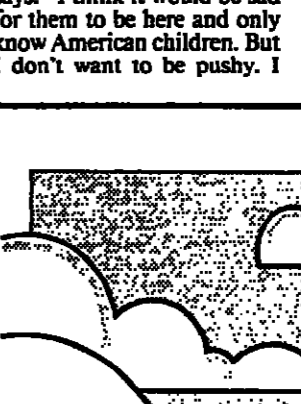
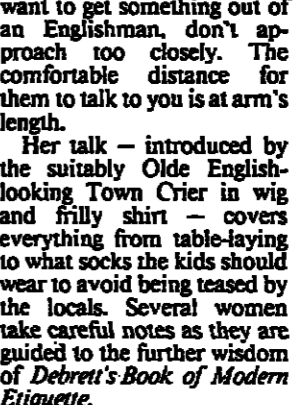
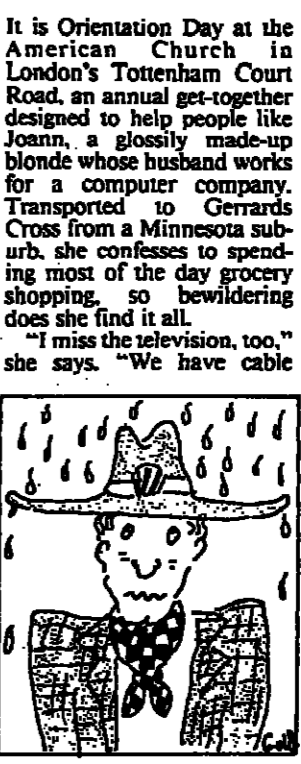
Her talk — introduced by the suitably Olde English-looking Town Crier in wig and frilly shirt — covers everything from table-laying to what socks the kids should wear to avoid being teased by the locals. Several women take careful notes as they are guided to the further wisdom of Debbert's *Book of Modern Etiquette*.

Digesting the morning's programme, which has covered everything from schools (Know Your Tuck Shop) to the less than endearing British habit of gawping, it is clear that the cultural lessons have not been lost. A warm, naturally ebullient lady in bright blue glasses timidly asks me how soon I think she can ask neighbours' children to play.

"My kids really miss being able to go from yard to yard. Here you have fences," she says. "I think it would be sad for them to be here and only know American children. But I don't want to be pushy. I grew up on the literature of the Ugly American, and I don't want to be labelled an Ugly American. I tend to watch myself as I think others may be watching me. It's made me much less spontaneous."

A recent survey of executives from 100 of America's largest corporations found London to be easily the most popular business destination, with 41 per cent putting it top of their list. Paris, the nearest contender, attracted a mere 12 per cent, with Hawaii (7 per cent), Tokyo (5 per cent) and Brussels (3 per cent) trailing behind. But exorbitant rents and natives often apparently as hostile as the climate can dampen initially high expectations.

"People assume that if you speak the same language you won't have any problems — but that's just not true," says Eve Johnson, an American who lived in Tehran before settling in London. Americans tend to congregate on the west side of London, particularly around bus and tube routes to favoured schools. Geographical closeness, combined with perhaps a natural clannishness, often combine to override initial good intentions of "going native".



## Getting a fix on 'man junkies'

Gloria Steinem, the woman who put the blonde streaks and tight blue jeans into the feminist movement, has clearly forgotten what it was like to be young. This is what she told the National Association for Female Executives in America: "Today's woman is much less likely to be a 'man junkie' — that is, to feel addicted to a man, to feel that she has no identity without a man. If men had ever realized how little it mattered which man they would realize that this change is to their advantage too. I'm sure they want to be loved for themselves and not for their professional prospects."

Man junkies? I can't believe it. My generation, which is but a few years behind Gloria's, absolutely hated men. At least, any man we were likely to meet. We loved Mick Jagger, David Bailey and the rapidly disintegrating Elvis, but any bloke likely to ring our doorbell on a Saturday night with a bunch of gladioli and a box of Quality Street got short shrift.

We would stomp home alone from a party, well before the chimes of midnight, because the man who had taken us professed a liking for the Modern Jazz Quartet or train-spotting. As for loving a man on account of his professional prospects, Ms Steinem must be joking. Anyone studying chartered accountancy or estate management must have lived like a Franciscan monk in those days as the nation's young womanhood poured scorn on serious career intentions.



PENNY PERRICK

were so busy turning ourselves into a mixture of Jean Shrimpton and Edna O'Brien that we didn't have time to be obsessed with men. Not only our mini-skirts but also our hair had to be ironed. False eyelashes had to be glued on, lash by individual lash. By the time we were ready to go out for the evening it was practically bedtime. We were so pleased with ourselves that not for one minute did we doubt that one day our prince would come.

It is today's woman who is far more likely to be a man junkie since everyone is frightening the living daylights out of her about what might be in store if she doesn't get her man before she gets to 30. She is told that her chances of ever marrying will lessen drastically; that she will become unhealthily hooked on her career, her cat, the gin bottle. At the same time, she is told that she must devote the years from 20 to 30 to getting a good job because if she doesn't, she will be in a sorry position when, inevitably, her husband leaves her and falls behind with the alimony payments.

No wonder that today's woman is a bit confused. I have heard reports that when she gets her man, however unsuitable or temporary the arrangement might be, her female friends see neither hide nor hair of her until the affair is over, so anxious is she that he might stray. How different from my own day, when women would get together to giggle hysterically over the shortcomings of the latest boyfriend. Nobody ever lectured us about the ticking away of the biological clock or the Great Man Shortage. If they had, I think our diamond-studded lashes would have dropped off in surprise.

## When easy money means hard times

Instant credit means instant debt and many people simply cannot pay up

All eyes are focused on the City this morning, its Big Bang profits and its six-figure salaries. But behind the glamour of high finance is a dismaying aspect of financial deregulation and relaxation of credit restrictions — the growth of debt.

According to figures collected by Mrs Ann Andrews, a barrister and debt counsellor at the Money Advice Centre in Birmingham, arrears in every sector of the credit industry are on the rise. A survey by the Finance Houses Association, the body which represents credit companies, shows that between 1979 and 1984 accounts in arrears grew from 5 to 7 per cent, or about 665,000 accounts.

The growth in debt is an inevitable consequence of the recent phenomenal growth in unsecured lending in the retail industry. Many of our high street shops now offer substantial amounts of instant credit, no questions asked. Indeed, you could easily pick up £10,000 worth of credit on a Saturday afternoon.

## Facing the facts about a baby's life

From Sally and Nigel Tiplie, 35 Friern Road, London

As parents who have faced the agonizing decision of whether a baby's life should be prolonged, may we comment on "When to save a baby's life?" (Wednesday Page, October 15).

Dr Nicolaides is quite right to pursue a policy of complete frankness with parents. Any decision will ultimately be that of the parents and the decision can only be made rationally with a full understanding of the medical facts.

The only problem is that parents could easily misinterpret what can be highly com-

## TALKBACK

in not trying to prolong life in a case on the edge of medical possibilities.

Although three months later events turned out tragically, we as parents benefited enormously from attempts to save our baby's life and we were at least allowed a brief time with our daughter. Medically the team at Kings College Hospital were working on the frontiers of their science and only by gaining experience can the frontiers be rolled back.

Having seen the joy of those parents whose children have survived, there can be no doubt that every effort should be made to capitalize on the available expertise.

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A BREATH OF FRESH AIR AIR CANADA

ST. JOSEPH'S HOSPICE MARET, LONDON E8 4SA. (Charity Reg. No. 231327) "Her final days with you were among the happiest of her life. Your gentle skills convert the dismal business of dying into an art-form."

From Sally and Nigel Tiplie, 35 Friern Road, London. As parents who have faced the agonizing decision of whether a baby's life should be prolonged, may we comment on "When to save a baby's life?" (Wednesday Page, October 15).

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A BREATH OF FRESH AIR AIR CANADA



THE TIMES DIARY

Blowing up trouble

The Ministry of Defence has just completed an investigation into how the army destroyed one of its vehicles during an operation codenamed Exercise Medicine Hat in the Canadian prairies.

Rock scene

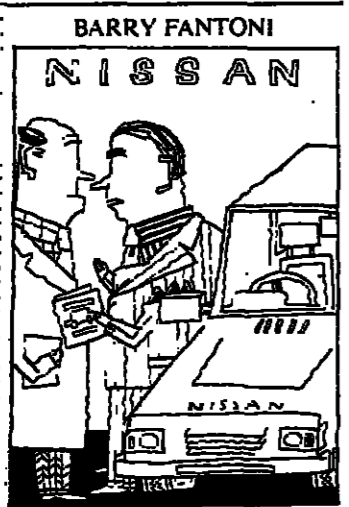
Schoolchildren in Gibraltar are in hot water this morning. About 1,300 of them played truant on Friday to watch the filming of a Granada TV pop spectacular starring Bob Geldof, Paul Young, Cindy Lauper and the Pretenders.

Off stage

Plans to open the new Covent Garden premises of the Victoria & Albert's theatre museum next year with an exhibition about Sir John Gielgud have been abandoned.

Birthday pangs

I predict some bruised feelings when it finally gets out who has signed a "hasn't" invited to BBC TV's 50th-anniversary shindig next week.



The manuals packed with infogarages, dealers, high-court judges...

Bargain titles

Viscount Gormanston has hit upon a drastic way to pay the school fees selling five Irish titles - the Barony of Kells in Co Kilkenny and four lordships of the manor - at an auction in London next month.

Mistiming

The traditional British confusion over the beginning and ending of summer time (one viewer this weekend rang a TV station to ask how to programme his video to record the Australian Grand Prix early yesterday morning) is set to continue.

How much will Archer harm his party?

Robin Oakley, Political Editor, recalls past scandals and considers whether the effect could be different this time

Jeffrey Archer is the latest victim of the fear of all governments that they can be damaged by scandal. But the actual evidence of that damage is hard to come by.

When John Profumo was forced to resign in 1963 as War Secretary after the Christine Keeler affair, the Macmillan government fell in the polls and the Tories lost the subsequent election in 1964.

It is also probably true that the government suffered less from the endless inventive titillating stories about naked dinner parties, the man in the mask and the Cliveden Set than from a feeling that Macmillan and his advisers had allowed themselves to be deceived without doing enough to check on their colleague's veracity.

Consider the diary entry made by Macmillan on the day of Profumo's statement to the Commons. He noted of Profumo and his circle: "Of course all these people move in a raffish, theatrical bohemian society, where no-one really knows anyone and everyone is 'darling'."

observe different standards from those prevalent today in many circles." He recorded: "Profumo has behaved foolishly and indiscreetly, but not wickedly."

Lord Denning's inquiry into the Profumo affair (as well as the Radcliffe tribunal into the affair of the homosexual spy, Vassalli) undoubtedly gave an impression of a government that was losing its touch and failing to give adequate attention to the nation's security.

There is little evidence to suggest that the mini-scandals in 1972 and 1973 affecting Lord Jellicoe and Lord Lambton after their dealings with prostitutes had any major effect on their government's fortunes.

The question now is what effect Jeffrey Archer's embarrassment may have on the Thatcher government. It is unlikely to be a major one.

party's rank and file and the leadership, and he has played a key role in settling an uneasy ship at Conservative Central Office with his sheer force of personality.

That puts him, I suspect, as far as the public are concerned, in a rather different category from a cabinet minister. He belongs to the people who appear in entertaining programmes on television, not the boring political ones.

Where the Conservatives may suffer, as they did over the resignation of Cecil Parkinson after he admitted an affair with his former secretary Sara Keays, who later bore their child, is in their attempt to present themselves as the party of the family, in contrast to a Labour Party seemingly obsessed at least at local government level with the rights of lesbians and homosexuals.

Both Mrs Thatcher and her party chairman, Norman Tebbit, have made a series of speeches stressing the need to return to earlier moral values and emphasizing the role of the family. While Mr Archer denies absolutely any meeting with the prostitute involved in the entrapment which precipitated his resignation, the whole affair sits uneasily with a Tory leadership which has been making such an appeal.

Newspapers that have written editorials supporting Tebbit's calls for a strengthened morality have received letters citing Parkinson's history, many of them also condemning the Tory government's support for wider Sunday shopping. So the moral vote is certainly not in the Tory pocket.

There is one other, perhaps more crucial, way in which Archer's sad departure may hit the Tories. As anyone who has tramped by-election doorsteps in the past year will know, what has hit the Conservative government as much as any specific policy defect - such as the record

on unemployment or education - has been a general feeling that things had got out of control.

First with Westland, then with the row over Land Rover and the future of Austin-Rover, the government had begun to look accident-prone. To lose a couple of cabinet ministers over such a marginal issue was carelessness in the extreme. People look to Conservative governments for stability and good order.

That was the mood which had been cured by this year's round of party conferences. The Tories had got their act back together. They looked calm and in control. Now suddenly with a threatened revolt on the Tory backbenches over the rate support grant and Archer's unexpected departure they are starting to look like just any other administration, being pushed around by events and scrambling for a foothold.

Will the Archer affair prove a long-term liability? Comforting words came yesterday from David Butler, a leading analyst: "It is certainly my impression that when it comes to scandals involving politicians, the public is generally pretty good at separating its views on the individual and on the party at large."

Thirty years on, Robert Rhodes James reassesses the agonizing drama that broke a great statesman

Eden at Suez: the diplomat who went uncertainly to war

Few men have reached 10 Downing Street with higher expectations or with greater applause than Anthony Eden did in April 1955. For those with vivid memories of the terrible 1930s he remained, in Churchill's memorable words, "the one strong young figure standing up against long, dismal, drawing tides of drift and surrender, of wrong measurements and feeble impulses."

To others he was also the brave soldier of the First World War and Churchill's courageous War Secretary in the desperate days in 1940. All involved in international diplomacy admired and respected him, and his record at every level in the Foreign Office, from parliamentary private secretary to secretary of state, spoke for itself.

His unpleasant and dangerous man has too often been depicted as an inspired, genial - if misguided - Third World leader standing up to colonialism. In reality his new position enabled him to take his conspiratorial talents and ruthlessness on to a wider stage.

He had been happiest in the wartime coalition and with soldiers, and his second wife once recorded in her diary:

"I'm not really a Conservative" A says. "I have more sympathy with the opposition. I am an old-fashioned Liberal."

In the Churchill coalition he had been the pacifier, as he was in opposition in 1945-51 when he firmly maintained the principle of the continuity of foreign policy and gave Bevin strong public and private support.

Thus the meteoric rising star of the 1930s who had courageously resigned as the youngest Foreign Secretary since 1791 over Neville Chamberlain's craven and fatal attitudes towards the German and Italian dictators, Churchill's right-hand man and designated heir in the war, and the architect of an almost unrelieved series of diplomatic triumphs since he went back to the Foreign Office in 1951, and the most cultivated of modern politicians, entered the premier-ship with all omens set fair.

Yet it was to be the one area in which he had specialized all his adult life, foreign affairs, and in which he was regarded as the master, that was to destroy all these high hopes. It is this that is seen by so many as the central mystery of the Suez crisis of August-December 1956. In fact, when one looks at Eden's personality and experience, it is not a mystery at all, and not the inexplicable aberration that has so often been alleged.

After his unhappy brief experience with Macmillan as Foreign Secretary, Eden replaced him with Selwyn Lloyd in December 1955. If Lloyd was not a mere puppet, as was alleged, he was very close to one; ironically, Eden had made the same discovery as had Neville Chamberlain: that to have a strong and independent-minded Foreign Secretary has grave disadvantages if a prime minister wants to run foreign policy.

One of Eden's principal deficiencies was that he had never held any domestic office, and while he had a clear overall judgement of the direction his government should go, which was both enlightened and sensible, it was natural that he should want to complete the work he had done abroad. Given his international

reputation, few were surprised at this. But the international sky, so remarkably clear after the death of Stalin in 1953, was now filled with menacing clouds, and especially in the Middle East.

Eden attempted to improve British standing in the area, and particularly to improve relations with Egypt. When King Farouk had been deposed, Eden had gone out of his way to work with the new leader, General Nguib, over the vexed issues of Sudanese independence and the running sore of the massive British military presence on the Canal. He had been successful, but now Nguib himself had been deposed, and replaced by Gamel Abdel Nasser.

His unpleasant and dangerous man has too often been depicted as an inspired, genial - if misguided - Third World leader standing up to colonialism. In reality his new position enabled him to take his conspiratorial talents and ruthlessness on to a wider stage. He accelerated the conflict with Israel, set out to destroy the Hashemite rulers of Jordan and Iraq, assisted the Algerians against the French, and engaged in a policy of subversion, propaganda and political and military intimidation that amounted to a campaign of calculated destabilization throughout the Middle East.

These were two entirely new factors, and it was to head off the Russian threat that Eden conceived the Baghdad Pact to be, in his own phrase, "a Middle East Nato", and to consist of the Western powers, Iran, Iraq, Turkey, Jordan and Pakistan. He hoped for Egyptian involvement as well, but at their one meeting in Cairo in January 1955 - of which the Egyptian version is farcically inaccurate - while Nasser professed warm pro-West sympathies he baulked at the Baghdad Pact.

Indeed, he did everything possible to undermine and prevent it. He had become a favoured visitor to Moscow and eastern Europe, and was feted by the Chinese at the non-aligned conference in Bandung. Humiliated by an Israeli incursion into the Gaza Strip in February 1955, he blamed poor equipment rather than poor leadership; in September he announced publicly what the West already knew, that Egypt was to be supplied with modern aircraft pilots, arms and advisers from Czechoslovakia. Meanwhile, the virioli from Radio Cairo, and the actions of Egypt's agents, confirmed many in their view that Nasser was a perilous menace.

The American Secretary of State, John Foster Dulles, who had once ousted Nasser, was outraged by his close involvement not only with the Russians but with the hated Chinese Communists, while Tel Aviv signalled its fears of the arrival of advanced Russian jet aircraft and pilots in Egypt at a time when the Israeli air force was a very modest military element.

Eden failed to bring the Americans into the Baghdad Pact; but he publicly warned the American Congress early in 1956: "Brought to a halt in Europe, Soviet expansion now feels its way south and probes in other lands... From the Kremlin stream flows into the lands of what we call the Middle East, and into all Asia, a mixture of blandishment and threat, offers of arms and menaces to individuals, all couched in terms of fierce hostility for Western ideals."

This was true, and when Eden said to Bulganin and Krushchev in their visit to Britain in April 1956 that Britain would fight for her oil supplies, he meant it. Krushchev exploded with rage, but the point was taken, and goes far to explain the Russian docility throughout the Suez crisis. This was language

that the Russians understood.

But Eden also pressed upon the Americans the need for the West to finance Nasser's most cherished project, the Aswan High Dam. It would give the West a large stake in the Egyptian economy, and a substantial presence, and would keep out the Russians. President Eisenhower was initially agreeable, but there were powerful elements hostile to the project in his administration and in Congress. Gradually, enthusiasm faded on both sides of the Atlantic, but although Eden wanted to keep the project indefinitely alive there was complete understanding in London when, on July 19, Dulles abruptly told the Egyptian ambassador that the Americans were pulling out; the next day, virtually without discussion, the British did the same.

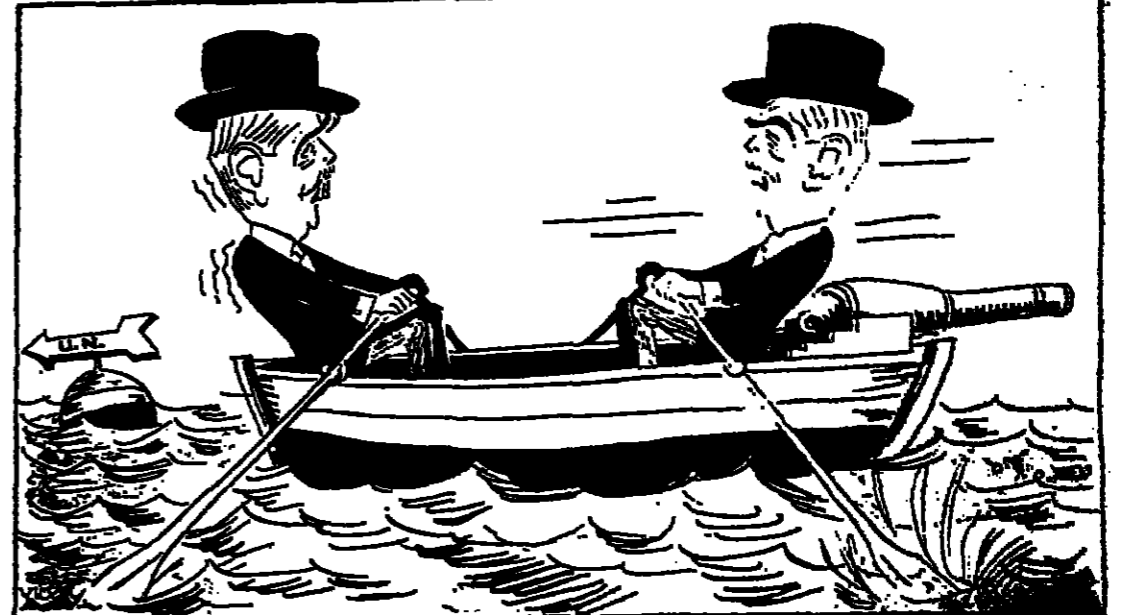
The Egyptians had proved tricky, not to say devious, in the negotiations, and their increasing involvement with the Russians and virulent hostility to the West did not make them reliable companions. But it was this act that gave Nasser the opportunity to put into action the carefully laid plans to nationalize the Suez Canal Company, tear up the recently signed agreements with the British, and occupy it by military force. As Nasser later admitted, he had wholly underestimated the fierceness of the reactions in London and Paris.

It is not generally realized today how crucial the canal was to Britain in 1956. Over two-thirds of the fuel supplies of western Europe (60 million tons) passed through it; of the nearly 15,000 ships that used it every year, one third of them were British, and three-quarters of all canal shipping belonged to Nato countries. Britain's total oil reserves were only six weeks.

Nasser, an avowed enemy of the West and moving rapidly towards the Soviet camp, now had, in Eden's vivid and accurate phrase, "his thumb on our windpipe", in cynical defiance of all assurances, agreements and treaties. Eden's faith in the sanctity of agreements, national or international, political or personal, was at the heart of his character as a man and as a politician. He had been personally betrayed by a bandit. It was not he but Hugh Gaiteski who first publicly compared Nasser with Hitler and Mussolini, but Eden saw in Nasser many of the evil attributes of his 1930s adversary. Nor was he as wrong as some have claimed.

The consequent crisis, which culminated in the Israeli-French-British attack on Egypt on October 29-November 6, has resulted in a voluminous library of accounts and histories, of very varying quality, and has created a remarkable number of myths. As the first person permitted to see Eden's papers and all the official documents of the Cabinet, the small Egypt Committee and the Chiefs of Staff for my authorized biography of him, I was struck by how even more extraordinary was the truth.

But the myth that Eden was a sick, almost hysterical, man with an obsession about Nasser that made him irrational is wholly false, as is the legend that, stung by the charge of indecisiveness and compared unfavourably with Churchill, he decided to prove that he was strong. Eden was certainly highly strung, and was capable of fierce, if brief, bursts of



Cartoonist Vicky's view of Eden, August 17, 1956

temper and anger, but those who knew him best realized that these outbursts were invariably about trivialities, and that on the big issues he was calm and thoughtful.

Another myth is that he was a sick man, heavily drugged. In fact he had made a remarkable recovery from the bungled operation in 1953 when his biliary tract had been accidentally severed; he nearly died, but the brilliance of the American surgeon Dr Richard Cattell not only saved his life but completely restored him, against formidable odds, and 1954 was one of the most strenuous and successful of his career. There was always the danger of a recurrence, with high fevers, but not until October 1956 did Eden suffer one, and it was of very short duration.

I have seen the details of Eden's medication and the reports of his physician, Sir Horace Evans; what drugs were prescribed were very mild, to be used only when he was unwell, which was seldom. Evans noted after one routine examination in 1956 that there was no question of abuse of any drug, including alcohol.

It would in some sense have been easy for his biographer to blame the errors made during the crisis on bad health, but it would not have been the truth.

Errors there certainly were, but by no means all were of Eden's making. His principal mistakes were to keep on Walter Monckton as Defence Minister when he clearly lacked enthusiasm for the venture, and to misjudge the American mood. But even here we now know how feebly Monckton expressed his doubts, how Mountbatten kept his to himself, and that Anthony Nutting, who was Eden's protégé and who resigned on November 5, was present at the key meetings (as was Mountbatten).

Also, Dulles's crime was not that of duplicity but of ambiguity. If Eden misinterpreted the confused signals from Washington, the fact was that they were confused, only Eisenhower remaining absolutely consistent throughout. He simply did not believe that the canal was worth a war, and Eden could not convince him of the fact that in British and French eyes it was. Also, Eisenhower did not share Dulles's detestation of Nasser personally and politically. The fact was that the Americans had no policy except to stall.

Faced with the combination of American procrastination and a sharp fall in British enthusiasm for a military solution after the first burst of fury, the French turned elsewhere and began to talk to the Israelis of joint action, unknown to the British.

Eden had no doubt that Nasser constituted a peril to Britain, the West, and our allies in the Middle East. He was very willing to seek a peaceful solution, and it was, in defiance of Eisenhower's strong objections, who took the matter to the United Nations, but he was determined that Nasser's outrages should not go unpunished and that the canal should not remain in hostile hands.

But Nasser was triumphant and intransigent; all attempts for a

reasonable settlement foundered on him, with warm Russian approval. By October nothing had been achieved by diplomatic methods, and the British forces gathered in Malta or in Britain were destined for the Middle East were becoming restive. These were the circumstances under which the French produced their plan. Israel would attack Egypt - which, as Nasser constantly reiterated, was at war with it - upon which the British would issue an ultimatum to both sides which, if unheeded, would permit them legally to reoccupy the Canal Zone under the Anglo-Egyptian agreement.

Eden was at first hesitant, while Selwyn Lloyd was troubled by the plan, but at some point Eden overcame his misgivings and assented. Although the full Cabinet did not play a major part in the crisis - in itself another error of Eden's, but characteristic of his method of government - it was told fully and clearly by him what was proposed on October 25. Several expressed reservations, but nobody resigned or even spoke in that sense, and the decision was unanimous, even Monckton assenting.

Moreover, in his opening remarks Eden told his colleagues, "We must face the risk that we should be accused of collusion with Israel," and also said the Israeli action was "a pretext for the ultimatums. These were his words.

It was time that wrecked the plan. When the Israelis told the British and French that they could be at the canal in days, the latter were incredulous, the military estimate being two weeks. This became crucial, as it would take six days for the main invasion fleet to get to Port Said from Malta. It was in those six days that the crisis exploded at home and abroad. Parliament was in turmoil, the Americans enraged, and the United Nations condemnatory, while the sheer speed of the Israeli advance and the Egyptian acceptance of the UN proposed ceasefire destroyed the pretext that the Anglo-French invasion was simply "to separate the belligerents".

It was this fact, combined with fierce American economic and political pressure that did not fall far short of blackmail, that unnerved ministers, and especially Macmillan, until then the most fervent of the hawks. It was he who had first suggested, early in August, involving the Israelis, which option Eden - ever fearful of an Israeli-Jordanian war, as Britain was treaty-bound with the latter - had rejected. When Macmillan moved, the doubters in the Cabinet showed their hand, until Eden was almost isolated. With the Egyptians utterly defeated, and the canal at the mercy of the Anglo-French forces, they were ordered to stop at midnight on November 6.

It is easy, so many years later, to criticize decisions made under gruelling circumstances and intense pressures. Although Eden was not ill, these pressures became so strong as to be physically and mentally unbearable, especially after the operation had been halted. The adrenalin that keeps one going during a crisis wears its revenge when it is over, as happened in this case. He had misjudged the full strength of national and international condemnation - although domestically he had very considerable support - and especially Eisenhower's reactions.

It tends to be ignored that Nasser, the true aggressor, was saved from his own follies, and worse, by external forces

airfields on November 1 was militarily essential and a brilliant success, but politically disastrous. There had been nothing about bombing in the ultimatums. Then, greatly to his credit, Eden was obsessed about keeping casualties to a minimum, but as one senior Israeli involved remarked: "You cannot have war without casualties." After November 1, the RAF had total control of the skies, and could have bombed Egypt into submission; Eden never even considered it as an option.

It tends to be ignored that Nasser, the true aggressor, was saved from his own follies, and worse, by external forces (not by the Russians, who could and did nothing except issue wild threats of rocket attacks on London and Paris which the British knew full well were impossible, and who had problems enough in Hungary). Worse, he was not only saved but elevated and consolidated into a national and international hero. This was to prove an enduring disaster for Egypt and the Middle East. When he tried again in 1967, the result was catastrophic; but by then the world had realized what kind of man he was. Also, by then the canal had ceased to have its previous dominant importance.

Britain, France and Israel publicly denied "collusion", as they had agreed. It is an ugly word, but it must be stated that it could apply to a considerable number of secret agreements between states, and Nasser, the most dismissive about promises and treaties, and a true conspirator, was in a poor moral position to complain, as are his defenders. It is sad, but not untypical, that so many of the latter were, and are, British.

The responsibility for what went wrong must be widely shared, and not placed on Eden's shoulders alone. Errors and misjudgements there certainly were, and Eden characteristically took the full responsibility, but it is too often inadequately realized that his assessment of Nasser, his actions and his menace to British interests and to Middle East stability was absolutely right.

The trouble was that he was still the pacifier, and certainly never a warmonger, let alone an old-fashioned colonialist. As the late Martin Wright perceptively wrote: "Eden's moral dilemma has a lasting significance. In trying to preserve the political conditions of international life he allowed himself to become unscrupulous." If he had been more unscrupulous and ruthless, the story would have had a very different ending.

Eden not only outlived Nasser but saw his old opponent's megalomaniac dreams and straggle collapse; his only memorial being the divided and embittered Middle East, and an Egypt that has moved from fantasy into cold reality. In the meanwhile, many more thousand died and suffered than the relative handful of Suez.

Dulles, ambivalent to the end, said to Selwyn Lloyd on what was virtually his deathbed, "Hell, Selwyn, why did you stop? Why didn't you go through with it and get Nasser down?" It would have been better for everyone if that had happened, but the historian can only record what actually occurred, even if he is entitled to lament the might-have-beens.

The author is Conservative MP for Cambridge. His biography of Eden is published by Wiedenfeld & Nicholson (£16.95).





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CAPITALIST REVOLUTION

Anyone who can remember the first day in a new school, the attempt to operate a new manufacturing plant for the first time or struggles with a new computer, should feel sympathy for the thousands in the City of London whose working lives will be changed for ever this morning. For the long-awaited Stock Exchange Big Bang combines something of all of these. Stockbrokers and stockjobbers have overnight been transformed into multi-functon broker-dealers or marketmakers, doing new jobs, using new technology, under new rules and new ownership, all at the same time.

The process that has culminated in this morning's changes began as an attempt by big institutional investors to gain better terms for business from the old Stock Exchange club. Three years ago, that produced an agreement between Sir Nicholas Goodson, the Stock Exchange chairman and Mr Cecil Parkinson, then Trade Secretary, for the Stock Exchange to end its cartel arrangement for fixing commissions and to open its doors further to outsiders.

As in political revolutions, change has acquired its own momentum, drawing in other related strands - such as changes in investor protection law - and shifting its objectives in ways that could have been imagined only by the most farsighted when the process started. Greater competition, requiring more efficiency in dealing in stocks and shares and raising capital for government and industry, remains central to the changes. The focus of that drive has, however, shifted from competition between members of

the old club to the need to compete with and adjust to other financial markets and other financial centres, which have been brought together by the simultaneous revolution in communications and information technology.

The City has also seized the opportunity denied by a restricted home market to aim at a principal role in the fast-growing international market for government stocks and shares of the largest companies. London already leads in currency dealing and euro-bonds. The technology, though still lagging behind the standards of the international money market, has leapt ahead. Overseas banks and securities companies from the United States, continental Europe and Japan have established strong presences on the new International Stock Exchange. And there is every chance that Britain can again lead the world in international finance.

The price, however, could be heavy. The abandonment of the old restrictive practices has also swept away inbuilt safeguards to investors against conflicts of interest. The winding up of the old club has left most of the former leading firms under the control of outside banks and financial conglomerates, many headquartered abroad. The need to draw in capital and maintain a unified London market has progressively removed personal liability and formally undermined the personal responsibility of former partners both for the reputation of the Stock Exchange and for its government - which will now be controlled by the corporate member firms. The face to face trading that gave meaning to the Stock Exchange motto - my word is my bond - will

largely give way to the telephone from today and to the computer in a few years time.

That pressure of competition, the switch of career loyalties from the Stock Exchange club to great corporate employers, and the conflicts of interest in firms acting simultaneously for companies, investors and their own dealing books, can easily combine to undermine standards. It will be all too easy for individual investors to be seen as mere punters and the capital of British industry as the chips in the game unless the young men who will increasingly dominate securities companies understand their wider personal responsibilities.

The Financial Services Bill will provide a new system of supervised self-regulation to protect investors from fraud and unfair practices, though not for at least a year. But it may not be able to take the strain if competition leads the new City to push the rules to their limits, seeking to obey only the letter and not the spirit. Insufficient thought has yet been given to whether industry will also need protection from an international industry that might be tempted to generate short-term profits by forcing unjustified deals and takeovers.

Such thoughts will be far from the minds of most who face such exciting challenges this morning. Their success should be of great benefit to Britain, bringing new jobs, more foreign earnings and more efficient markets that could eventually also help the widening circle of small investors. The manner in which the City meets these challenges will decide whether the rest of the country resents its success or is proud of it.

A RISK THAT FAILED

It is not merely hindsight to say that the appointment of Mr Jeffrey Archer as deputy chairman of the Conservative Party in 1985 contained a strong element of risk. Since then it has mostly seemed a good risk. Today it has to be counted as a risk that failed.

Mr Archer's chief political task was to do for the Tory faithful throughout the year what the Prime Minister's speech did for them on the last day of the Party conference. The Tories had long taken the loyalty of their grass roots organisations for granted. To often the emissary from Central Office arrived at a local Tory HQ to fight a by-election and found his resources to be two rival old ladies fighting over a broken typewriter.

What was needed was not just organisation but motivation. The Party was not - and still is not - well endowed with charismatic politicians prepared to spend their time with people who were already Tory voters and were mostly without either influence or power. Mr Archer brought to this task the quality of celebrity - his already famous name as a thriller-writer and his soon-to-be famous charm as a speaker. He worked hard and he was a success.

The risk was always in Mr

Archer's powers of judgement. He came to the job with a controversial financial past. He had not chosen his associates wisely. He had fought back to financial security with a determination that Mrs Thatcher and many in the country at large could not but admire. His honour - in the first resignation of his political career, just as yesterday in his second - was not in doubt.

In Mr Archer's first few months in the job, however, several cabinet ministers came to share the doubts in his essential good sense. He became notorious for treating in other people's patches, overturning the party line and trampling on sensitive toes.

Yesterday's revelations and reactions show - at the minimum interpretation - that his ability to act foolishly has not forsaken him. To offer to aid a prostitute to leave the country - when one is alleged to have had a relationship with her yet when one is adamant that one has never even met her - must be considered as calamitous folly. Whatever else emerges from this affair - and the motives of all participants are likely to come under close scrutiny - it is right that he is no longer the deputy chairman of Britain's governing party. Yesterday's resignation,

however, is a personal tragedy for Mr Archer. The Government must hope that it will remain just that, a matter of great personal regret and small political import.

There is a good chance that those hopes will be fulfilled. The very fact that Mr Archer's main work was within the Party rather than inside Parliament or as a spokesman to the wider public will reduce the impact of his fall on the electorate at large. After a difficult period this year, the Government is now restored to reasonable strength. If Mr Archer's misjudgments had taken place in the early Summer, it might have been a different story.

For chroniclers of Tory scandals, the appropriate analogy is closer to the harmless resignations of Lords Lambton and Jellicoe from the government of Mr Heath than to the Profumo affair which gravely undermined Mr Macmillan's administration. Mrs Thatcher has now, in her turn, lost two senior leaders of her Party organisation in circumstances that chime ill with her avowal of traditional family values. It will doubtless displease her that this is one Tory rot that she has not managed to stop. But it should not cause her disproportionate alarm.

CARING FOR THE RED CROSS

The decision of the International Red Cross conference at Geneva to expel the official delegation from South Africa must be deeply regretted - and so must Pretoria's response to it. The accompanying decision to allow South Africa's national Red Cross officials to remain in the conference hall has been seen as a compromise through which, in the end, the best was made out of a bad job. But it cannot disguise the fact that this has been a bad weekend for one of the world's more respected and less controversial organizations.

The ballot which demanded the withdrawal of the Pretoria representatives was pushed through by a block of about fifty Communist and black African states to underline their opposition to apartheid. The angry response of those responsible for apartheid, however, was to employ tit-for-tat by throwing members of the International Committee of the Red Cross (though not the South African Red Cross society) out of South Africa. Does that sound like a victory for anyone?

For more than 100 years the International Red Cross has

been the battle lines of opposing armies, splendidly free of prejudice and the temptations of political partisanship. Its mission in South Africa, whose members are now awaiting instructions from Geneva following President Botha's notice to quit, have been involved in valuable work beyond the bounds of South Africa itself, securing the release of hostages taken by Unita in Angola, protecting the rights of political prisoners and caring for many thousands of refugees from the fighting in Mozambique. The intrusion of politics at its four-yearly conference in Geneva has not only spoiled a distinguished record but has awakened new fears for the future independence of the organization.

Sport at one time seemed a legitimate instrument for those wishing to demonstrate their opposition to apartheid, or for that matter anything else. But the premature departure of so many teams from this year's Commonwealth Games in Edinburgh, not because they wished to go but because they were commanded to depart by authoritarian governments at home,

political exploitation of human contact.

That the Red Cross should now be turned into a forum for extraneous discontent must be a matter for serious concern. The prospect of its conferences being turned into a vehicle for Third World rhetoric and cant is profoundly disturbing. Nor is there any suggestion that the developments at Geneva will have the slightest effect upon the government in Pretoria, whose hard-line response must be taken as an indicator of its future reactions.

The present compromise may at least allow the work of the country's own Red Cross to continue unhampered in South Africa, including its black townships. But what happens next time, and the time after that, when a power bloc within the organization seeks to propagate its cause in like manner? The International Red Cross should now concentrate some of its energies upon seeking to ensure that this year's conference has not set a precedent for political interference which the world will have cause to mourn in the most literal sense.

LETTERS TO THE EDITOR

Inflation traps for the unwary

From Lord Seebohm

Sir, The word "inflation" is now used almost universally to cover any form of a rise in prices. "True inflation" occurs when the money supply grows faster than the goods and services it is required to finance. It can therefore be controlled by monetary measures. But a rise in costs due to an increase in the cost of certain inputs cannot. For instance, the increase in the price of oil in the 1970s resulted in a direct transfer of wealth to the Opec countries from the consumers in the non-oil-producing countries. No monetary policies could offset this without forcing other prices down. What was inflationary was the attempt to offset the increase in the cost of living by increasing incomes.

When, therefore, the Chancellor says that he is going to bring "inflation" down to nil he must differentiate between the two quite separate influences on the retail price index. If the cost of imports, due to a falling exchange rate or the rise in world prices of raw materials, causes an increase in the RPI any attempt to "cure" this by monetary means can only damage the economy and cause an increase in unemployment.

Similarly, any attempt to increase wages and salaries to meet the increase will have an equally damaging effect and will result in "real inflation". The lack of any explanation of these facts to the general public is perhaps one of the reasons that no income policy has been possible to implement in the last 20 years: all indexing is therefore dangerous and should only apply to the domestic inflationary element in a rise in the RPI. Yours faithfully, LORD SEEBOHM, House of Lords.

From the Director of the British Management Data Foundation

Sir, It is good news that the Prime Minister is resisting pressure to

join the EMS (European monetary system). Membership would only be of very limited assistance in smoothing out the present volatility of sterling. It would not affect movement against the dollar and the yen and would certainly place longer term restrictions on our ability to look after our own interests.

Ultimately, we stand or fall on our own endeavours. Joining an organisation does not in itself act as a panacea. It can in fact often magnify problems. For example, membership of the CAP (common agricultural policy) has been a major disaster and inflicted costs totally unnecessary.

As far as the European market as a whole is concerned, it seems merely to have helped other European countries to penetrate the UK market to a greater extent. Many of the arguments by some protagonists of the EEC are so simplistic as to make one weep. Easing bureaucratic restrictions is only one small dimension. The European market is diverse and requires specific targeting to individual countries.

A factor of much greater importance to the overall prosperity of our manufacturing industry - and to employment - is a competitive exchange rate. This, fortunately, we are now beginning to achieve, thanks to speculation against sterling.

It is to be hoped that the Chancellor will continue to resist the City clamour to increase interest rates, which are already too high for anyone's comfort except the banking world, and allow the pound to find its own level. This, when all the hysterical comments by financial analysts die down, may settle at a figure not too different from its present one. Yours etc., ANTHONY COWGILL, Director, British Management Data Foundation, Selwyn House, Cleveland Row, St James's, SW1.

Academic threat to free speech

From Mr Mark Almond

Sir, With his distinction between "academic freedom" and "political freedom" (feature, October 21) Dr Kenny has put his eloquence at the service of the "treason of the clerks" and one trusts that every ghost, from Castillo to Benda, will haunt him for his pains.

What is perhaps more surprising is the Master of Balliol's misunderstanding of the basis of the disquiet at the current attacks on free speech in the universities. Outside speakers do not generally propose themselves, but are invited to speak by the representatives of the student body or some part of it.

Dr Kenny's caricature of the Moories forcing themselves upon a defenceless Oxford college distorts the current reality. It is not Gerry Adams, but rather Tory MPs, members of a party regularly voted for by more than 40 per cent of the electorate (to the chagrin of its academic betters), who are likely to be shouted down, spat upon or manhandled.

It is, however, striking that Dr Kenny considers it acceptable to ban legal religious or political groups from universities, but not their violent opponents. So far the response of university authorities to such disorders has consisted of disingenuous denials that "our students took part" or invocations of the right to "free speech" as a reason for doing nothing to protect it.

No doubt, when our liberties have been whittled away and the book-burnings begin, calm, reasonable, magisterial, academic voices will whisper: "No need to complain, your thoughts are still free". Yours faithfully, MARK ALMOND, Wolfson College, Oxford, October 22.

From Mr D. L. B. Hartley

Sir, Free speech is particularly important in a university. Do students even know the case for free speech? Mr John Austin, of Oxford, may not: "Selbourne offended people's sensibilities", he said (report, October 20).

Mr Austin is to read PPE, an expensive way of teaching him the importance of liberty. An account of J. S. Mill's "Essay on Liberty" can be given in a double period with the sixth form. It has been done, often.

Thirty years ago it was found necessary to introduce a Use of English test for university applicants. Perhaps there should be a compulsory question each year on Mill's essay in the general studies papers at A level. Yours truly, D. L. B. HARTLEY, Ghyll Bank, Brook Road, Windermere, Cumbria, October 21.

Museum charges

From Professor Walter Elkann

Sir, The Natural History Museum may have got its economics wrong (report, October 22). Unlike some opponents to admission charges, I do not regard the suggestion that visitors should make some contribution to a museum's upkeep as a moral outrage. But the proposed charges seem unnecessarily high and the way of collecting them unnecessarily expensive.

Two pounds for adults and £1 for children is almost as much as now typically prevails in many American museums, and Americans earn typically almost twice as much.

Some small initial fall-off in attendances is unavoidable but to even contemplate a 40 per cent initial drop in visits plays straight into the hands of the opponents and is both unimaginative and unnecessary.

A system of genuinely voluntary but specified donations collected by unpaid volunteers, as at, e.g. Salisbury Cathedral, would reduce the cost of collection. This would reduce the amount visitors need to be asked to pay in order to reach the target figure of £1.5 million in a year, whilst avoiding both public resentment as well as the initial loss of "eustom" which the museum ought not to view with such equanimity. Yours truly, WALTER ELKANN, Brunel University, Department of Economics, Uxbridge, Middlesex, October 22.

From the President of the Institute of Biology

Sir, Without seeking to argue the absolute merits of imposing admission charges in British national museums, the size of that deemed necessary by the British Museum (Natural History) has given cause for alarm. Science is, more than ever, an essential feature of our lives. Every effort should be made to foster in the general public an understanding of the scientific, particularly the biological, options that variously offer so much potential for good or ill.

The Natural History Museum in South Kensington has, over very many years, played a noteworthy part in the scientific education of the young and of the parents they so often take with them. That it should feel compelled to charge a sum that there is reason to believe may halve attendance is an educational tragedy that could and should be averted. Yours faithfully, KENNETH BLAXTER, President, Institute of Biology, 20 Queensberry Place, SW7, October 22.

ON THIS DAY

OCTOBER 27 1933

The East Fulham by-election held in the third year of the National Government was fought by the Labour candidate, John Wilmot (later Lord Wilmot of Salveston, 1895-1964) on the issue of peace.

What now appears as a minor episode in British history was at the time a shattering blow to the Government. Stanley Baldwin stated: "... that the nerve, injured in October 1933, the East Fulham nerve, never quite healed" (The swing to Labour was 26.5 per cent).

A USEFUL LESSON

MR. WILMOT, the Labour candidate, is to be congratulated on a remarkable victory in the East Fulham by-election. He entered the constituency a few weeks since as a complete stranger, and he has now secured a turnover of 19,000 votes in his favour by a candidature which all accounts agree to have been most ably conducted.

MR. WILMOT has also many other grounds, apart from his personal qualities as a candidate, upon which to congratulate himself. He can hardly have hoped that his opponent, and the organizations behind him should fall so hopelessly to present the strongest case ever possessed by a British Government in modern times...

All accounts agree that the two most prominent issues at this election were what was called War versus Peace in foreign affairs and Housing in home affairs. The issue of Unemployment had some prominence also, but was definitely subsidiary. What is certain is that the Labour candidate succeeded in identifying his opponent with at least some tolerance of the idea of war and with at least some consciousness of the issue of housing.

The impression was no doubt created partly by the usual gross misrepresentation of the actions and intentions of the British Government. For example, in the Labour broadsheet issued during the election there is a picture of MR. ARTHUR HENDERSON and MR. WILMOT with the caption "Uncle Arthur tells John Wilmot that peace men must stand together". MR. WILMOT's own message, "I have heard of stand peace", and he makes great play with his opponent's alleged advocacy of immediate rearmament by this country. Further, the alleged inadequacy of the housing programme of the borough council - a matter which was believed to affect the Conservative candidate - is made the excuse for insinuations that the whole housing policy of the Government, including slum clearance and rent restriction, is farcical or unjust. But such misrepresentations of the Government might easily have been rebutted and exposed by competent rejoinders competently brought home to the electors by efficient organization. In so far as the result was due to any views of the electors upon these issues, it is a lesson to the Government as a whole that they must not run the risk that their case will be given against them almost by default, no matter how plain its strength to those who consider it impartially...

The lesson of the by-election in this matter is that the Labour Party will use every effort to further the idea that parties can be divided into "peace men" on the one hand and "war-mongers" on the other; and that this division must be exposed for the utter fallacy which it is. Apart from this insidious and unreal issue, time and renewed effort will bring home to the people the falsity of other charges against the Government. What Government might easily have been rebutted and exposed by competent rejoinders competently brought home to the electors by efficient organization. In so far as the result was due to any views of the electors upon these issues, it is a lesson to the Government as a whole that they must not run the risk that their case will be given against them almost by default, no matter how plain its strength to those who consider it impartially...

What was needed was not just organisation but motivation. The Party was not - and still is not - well endowed with charismatic politicians prepared to spend their time with people who were already Tory voters and were mostly without either influence or power. Mr Archer brought to this task the quality of celebrity - his already famous name as a thriller-writer and his soon-to-be famous charm as a speaker. He worked hard and he was a success. The risk was always in Mr Archer's powers of judgement. He came to the job with a controversial financial past. He had not chosen his associates wisely. He had fought back to financial security with a determination that Mrs Thatcher and many in the country at large could not but admire. His honour - in the first resignation of his political career, just as yesterday in his second - was not in doubt. In Mr Archer's first few months in the job, however, several cabinet ministers came to share the doubts in his essential good sense. He became notorious for treating in other people's patches, overturning the party line and trampling on sensitive toes. Yesterday's revelations and reactions show - at the minimum interpretation - that his ability to act foolishly has not forsaken him. To offer to aid a prostitute to leave the country - when one is alleged to have had a relationship with her yet when one is adamant that one has never even met her - must be considered as calamitous folly. Whatever else emerges from this affair - and the motives of all participants are likely to come under close scrutiny - it is right that he is no longer the deputy chairman of Britain's governing party. Yesterday's resignation, however, is a personal tragedy for Mr Archer. The Government must hope that it will remain just that, a matter of great personal regret and small political import. There is a good chance that those hopes will be fulfilled. The very fact that Mr Archer's main work was within the Party rather than inside Parliament or as a spokesman to the wider public will reduce the impact of his fall on the electorate at large. After a difficult period this year, the Government is now restored to reasonable strength. If Mr Archer's misjudgments had taken place in the early Summer, it might have been a different story. For chroniclers of Tory scandals, the appropriate analogy is closer to the harmless resignations of Lords Lambton and Jellicoe from the government of Mr Heath than to the Profumo affair which gravely undermined Mr Macmillan's administration. Mrs Thatcher has now, in her turn, lost two senior leaders of her Party organisation in circumstances that chime ill with her avowal of traditional family values. It will doubtless displease her that this is one Tory rot that she has not managed to stop. But it should not cause her disproportionate alarm.

Furthermore, under this new system, unemployment giro cheques now arrive in Saturday's post, as opposed to Friday's post previously. In some outlying areas the morning post may not be delivered until as late as midday and sometimes not at all in severe weather. Post offices close at 1 pm on Saturdays, leaving some people with perhaps an hour's walk into town and the possibility of being unable to reach the post office to cash their cheques on time. They would then be without their money for the weekend. This is an unnecessary penalty against a section of the unemployed and is to be deplored. Yours sincerely, R. J. MERRICK, Buckland House, Queen Street, Llandoverly, Dyfed.

Navstar is a few tens of metres anywhere on the earth or in the skies. If the relativity and Doppler effects were not allowed for in the design, an error of 5,800 metres would accumulate before the 12-hourly date update. As far as I am aware, every single experiment, earthbound and otherwise, to verify Einstein's theories of relativity has provided confirmation - indeed scientists have been very excited over this for some time. Yours sincerely, G. THOMASON, Windmill Lane, Midgham Green, Berkshire.

Treble increase

From Mr Robert Lighthart

Sir, In most churches in Scotland and in many in England the all-male choir, relying on boy trebles, ceased to exist some years ago. But in the last two or three years I have found recruitment much easier in Dundee, and my colleagues in Aberdeen and Inverness Cathedrals are reporting record numbers and a much greater enthusiasm among parents for offering their children five or six times a week to sing in the choir of what is, after all, a minority church in Scotland.

May I ask if this trend is also reflected beyond the border? Yours faithfully, ROBERT LIGHTHART, The Cathedral Church of Saint Paul, Castlehill, Dundee.

Housing cutback

From the Director of the Institute of Housing

Sir, Under the flimsy guise of transition to a new uprating date - and the cloak of rises in all other benefits - the Government has just announced (report, October 23) a further cut of £68 million to the housing benefit scheme.

This latest squeeze comes on top of the £200 million already cut from the scheme since its introduction in 1983.

Nor will cuts end here. The Government has already made clear its intention to lop £450 million from the housing benefit budget by 1988, in the wake of changes made possible to the scheme by the Social Security Act. The effects of this on the unemployed, elderly and disabled

Plight of unemployed

From Mr R. J. Merrick

Sir, Two weeks ago the unemployment office in this town closed down the nearest one is now in the next town some 12 miles away. Consequently the unemployed residents of Llandoverly now have to register as unemployed fortnightly by post.

Our application forms must be endorsed by an employed householder and we have to bear the cost of postage (a first-class stamp is compulsory) ourselves. We are not reimbursed for this expense.

The unemployed in a similar position in such rural areas as this have, therefore, had their unemployment benefit effectively reduced by ninepence a week and are being penalised, through no fault of their own, for being unable to attend an unemployment office to register in person.

Lure of Einstein

From Mr J. G. Thomason

Sir, In the pontifical letter from Dr Wislki (October 20) he states that none of the real technical achievements of today are based on Einstein's theory of relativity.

All radio transmissions from artificial satellites to the earth experience a frequency shift due to relativity effects. In the case of the Navstar satellite navigation system, for example, the bluish tint of the transmissions is 467.9 x 10<sup>-15</sup> due to the net effect of Doppler shift, general relativity, special relativity and more subtle relativity effects (rotating mass). The accuracy of a fix from

Methodist roll

From the Secretary of the Methodist Conference

Sir, I note your report on October 16 of the decline in Church membership in Great Britain since 1980 and the accompanying rise in the number of the adherents of some other faiths. Any comparison of religious statistics is difficult. Religious bodies, including the Churches, count their community in different ways.

The last published figures for the Methodist Church are for 1983. Membership was recorded at 458,592, and the community roll, those who worship regularly or have some other active connection with the Church, was 1,329,365, which compares rather more favourably with the number of Muslims than your report suggests.

We only publish our returns triennially, but our estimates for 1985 are at least 10,000 higher than those given in the UK Christian Handbook. Yours faithfully, BRIAN E. BECK, Secretary, The Methodist Conference, 1 Central Buildings, Westminster, SW1.

In common currency

From Mr Cedric Hallam

Sir, I was interested to read Mr Ray Ward's letter (October 4) concerning the abbreviation for "pound".

I recently came across a school exercise book used by my grandfather in 1854. The £ sign was in use at that date, being placed after the figure when the s. and d. abbreviations were also used but before when they were omitted.

Thus, for example, to the question "If a servant be paid 10s 16s for 42wks 6days, how much will he earn in 14wks 2da?" the answer is shown as £3,12.0 and to the question "If my horse stands me in 1s 1s 6d for 12 days keeping, what will be the charge for a year?" the answer is written as £32,13.11/2. (It apparently cost a good deal more to keep a horse than a servant!)

As if these problems in pounds, shillings and pence were not enough for the poor schoolboys to wrestle with, the answers to some questions in the book were required in guineas, marks, nobles, angels, crowns and moidores. Yours faithfully, CEDRIC HALLAM, 45 Lyncroft Avenue, Pinner, Middx.







BIRTHS, MARRIAGES, DEATHS AND IN MEMORIAM

OSMOND-CLARKE Dentist who thought he...

OSMOND-CLARKE Dentist who thought he... (Continued from page 18)

OSMOND-CLARKE

OSMOND-CLARKE Dentist who thought he... (Continued from page 18)

BIRTHS
On October 24th at Luton and Dunstable Hospital to Alayne (nee) and Stephen, a son Richard...

DEATHS
On October 23rd, in hospital, aged 89 years, Frederick William Bailey of 46A Kent Road, Harrogate...

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ANNOUNCEMENTS

Charity Commission
Charity of Lillian Beatrice Wilman
The Charity Commissioners propose to make a Scheme for the Charity...

BIRTHDAYS

ZAM ZAM
ZAM ZAM, a young girl, was born on October 23rd, 1986, at Luton and Dunstable Hospital...

WANTED

RESPECTABLE young lady requires a companion for her elderly mother in London...

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IN MEMORIAM - PRIVATE

HEALTH - Arnold, Ten years have passed since he died, yet he remains very much alive in the hearts and minds of his family...

SILVER ANNIVERSARIES

REMEMBRANCE - Sessions on October 27, 1986, at St Mary's Abbotts Church, London. David to Crystal.

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RENTALS

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RENTALS

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RENTALS

WIMBORNE, 2 bedrooms, 2 bathrooms, 2 balconies...

RENTALS

WIMBORNE, 2 bedrooms, 2 bathrooms, 2 balconies...

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RENTALS

WIMBORNE, 2 bedrooms, 2 bathrooms, 2 balconies...

RENTALS

WIMBORNE, 2 bedrooms, 2 bathrooms, 2 balconies...

RENTALS

WIMBORNE, 2 bedrooms, 2 bathrooms, 2 balconies...

RENTALS

WIMBORNE, 2 bedrooms, 2 bathrooms, 2 balconies...

PUBLIC NOTICES

CORPORATION OF THE SONS OF THE GLEN
The Annual General Meeting of the Corporation will be held at Luton and Dunstable Hospital...

LEGAL NOTICES

IN THE MATTER OF ANTEK CORPORATION LIMITED
NOTICE IS HEREBY GIVEN that the creditors of the above-named company...

LEGAL NOTICES

IN THE MATTER OF PHOENIX (UK) LIMITED
NOTICE IS HEREBY GIVEN that the creditors of the above-named company...

LEGAL NOTICES

IN THE MATTER OF THE COMPANIES ACT 1985
NOTICE IS HEREBY GIVEN that the creditors of the above-named company...

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Science report
Victorian benzene theory is revived
By Keith Hindley
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# Jeffrey Archer resigns over prostitute pay-off

Continued from page 1

Mr Archer said yesterday that some weeks ago he had received a telephone call from a woman calling herself Debbie. She had said that a "client" of hers was saying that she and Mr Archer had met in Shepherd's Market and had an association.

Though he had denied any association further calls had followed claiming that the press was pursuing the woman.

He added: "Foolishly, as I now realize, I allowed myself to fall into what I can only call a trap in which a newspaper, in my view, played a reprehensible part.

"In the belief that this woman genuinely wanted to be out of the way of the press, and realizing that for my part any publicity of this kind would be extremely harmful to me, and for which a libel action would be no adequate remedy, I offered to pay her money so that she could go abroad for a short period and arranged for this money to be paid over to her."

Afterwards Mr Archer's solicitor, Lord Mishcon, who met him yesterday at his Embankment flat, said that he was considering the legal

situation very carefully and advising his client to make no further comment.

Mrs Thatcher, whose personal appointment Mr Archer was, was said yesterday to be saddened by the news of his departure and to have expressed her sympathy for him and his family.

Ministers believed that the damage to the party's image was likely to be only temporary. But some of Mr Archer's friends pointed out that a greater damage might be to the party's finances.

Mr Archer has proved a potent fund-raiser for the Tories, bringing in hundreds



Monica Coghlan, received envelope full of £50 notes.

of thousands of pounds in his travels around the country.

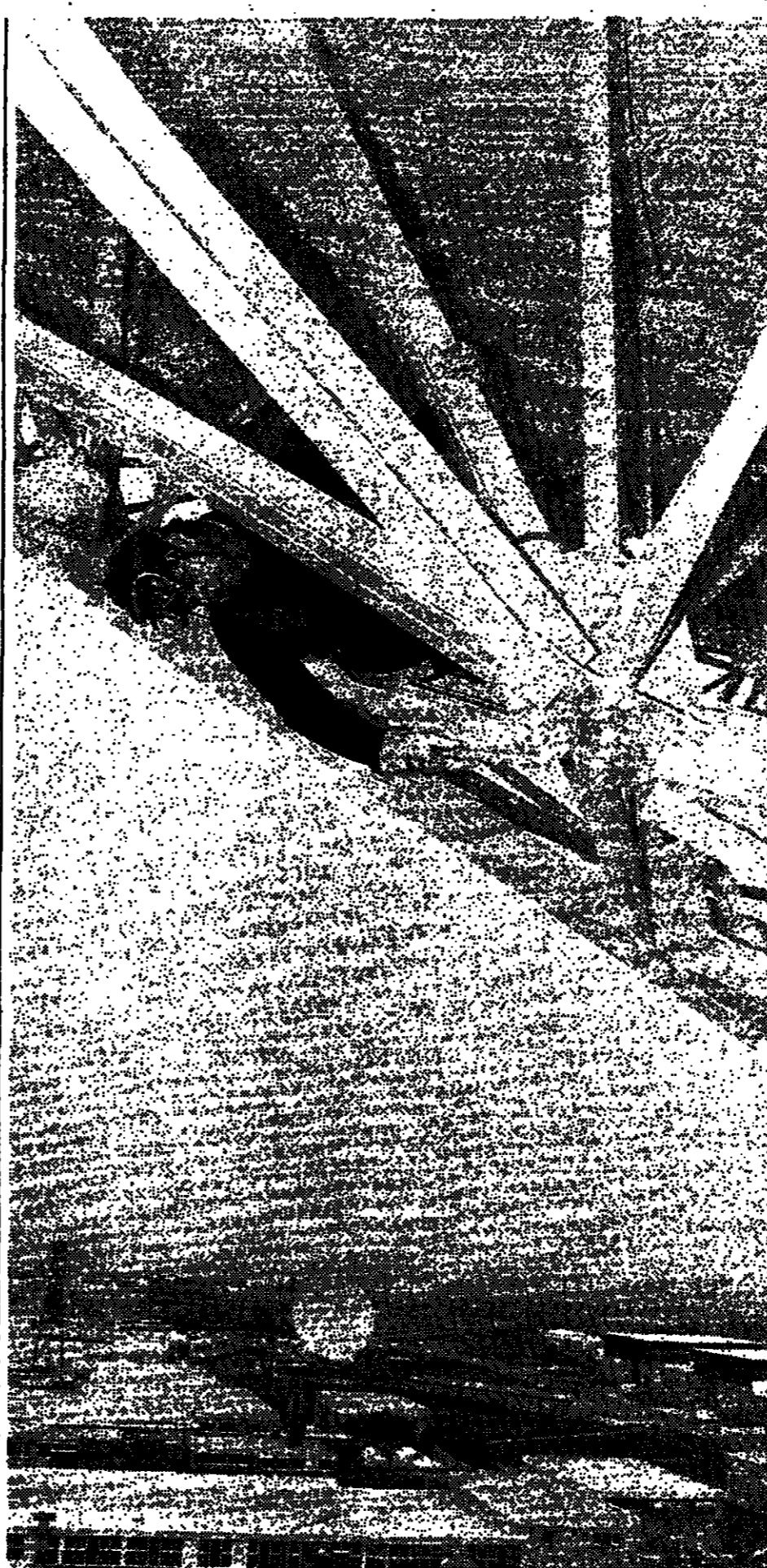
MPs were not rushing yesterday to comment on his resignation. But Mr Peter Bruinvels, Conservative MP for Leicester East, said: "It was a strange resignation statement to make. I hope he will bring in the police now to clear his name."

Mr Bruinvels added that it was inevitable that Mr Archer had to go. "As a Conservative party we don't deal with prostitutes. We are a party of the highest morals and no deals must be done with people of dubious character."

He added: "Because he has done the honourable thing and gone, I don't expect any lasting damage to the party."

Mr Archer drove back yesterday afternoon to join his wife Mary and their sons William, aged 14, and James, aged 12, at their home at Grantchester, near Cambridge.

Earlier Mrs Archer had said that she was fully standing by her husband and that she was forced to resign over the issue it would be "a monstrous miscarriage of justice". She said the conduct of the woman involved in the story was "despicable".



Top job: The massive British Telecom satellite receiving dishes at Goohill Down in Cornwall need painting all the year round and Mr Dennis Selley shows the calm nerves needed for the work as he hangs from the No.3 aerial 100ft above the ground (Photograph: Harry Kerr).

# A million Africans set to die of Aids, world experts say

Continued from page 1

are likely to develop the illness.

The report has been written by four doctors from the United States and Belgium. They say that prevention will be hampered by the fragile economies of most African states under which hospital budgets are too small to buy the necessary antibiotics or provide disposable injection equipment.

The doctors say: "The costs of caring for 10 Aids patients in the United States (about \$450,000) is greater than the entire budget of a large hospital in Zaire where up to 25 per cent of children and adult admissions may have HIV infections."

In addition necessary reduction of the number of sexual partners, the screening of women of child-bearing age and the contraceptive counselling for infected women are "extremely complex" issues requiring skilful health education and the full support of government agencies.

The national resources required are insufficient in many African countries, the doctors say. "Consequently an international concerted effort will be necessary to prevent further dissemination of HIV infection.

"Unless the financial resources to support national Aids control programmes is made available and unless information about Aids is searched including vaccine development, antiviral treatment and prevention programmes are shared among officials of all countries, Aids will continue to spread throughout the world exacting its toll on the health of mankind," the report concludes.

The four researchers are among the most knowledgeable about the impact of the disease in Africa: Dr Jonathan Mann, who is now director of the World Health Organization's Aids project in Geneva, was recently based in Kinshasa, Zaire, and was formerly at the Aids research unit and the Centre for Disease Control in Atlanta, Georgia, in the United States.

The others are Dr James Curran, also from the Atlanta centre; Dr Thomas Quinn of the US National Institute of Health, Bethesda, Maryland; and Dr Peter Piot, a leading microbiologist at the Institute of Tropical Medicine in Antwerp, Belgium.

# Syrians rail at Britain

Continued from page 1

Damascus for home yesterday.

The stage thus seems set for a period of mutual hostility and distrust between Syria and Britain although both countries probably realize that the affair cannot be pursued much further. The US knows that Syria, for all its sins, is a power-broker in the Arab world and a party to any future peace treaty.

Diplomats in the region also appear convinced that no Western government would dare take military action against Syria nor try to stage a coup against President Assad. Syria is not Libya and Soviet support for the Syrians and for Mr Assad is a good deal more serious than it is for Colonel Gaddafi not least because Soviet missile crews are manning the air defences of Damascus.

"The British Government made a big mistake when it joined the American-Israeli campaign against Syria and the Arabs," the Syrian state radio said in a commentary "Therefore it will have to pay the price of this hostile step

based on lies, allegations and deliberate provocations."

The radio added that Syria "reciprocates friendship with friendship, and answers to each aggressive act the way it deems fit." Britain had produced no proof of Syria's involvement with the El Al bombing "for the simple reason that Syria denounces terrorism and condemns it and does not allow it."

The theme of Syria's innocence was taken up by Mr Farouk el-Sharaa, the eloquent Foreign Minister in Damascus who told a news conference that Syria had "done nothing wrong and that the British Government could not bring any evidence to link Syria with terrorism."

He rejected the statement by the British Foreign Secretary, Sir Geoffrey Howe, that Nezar Hindawi, the Jordanian convicted of the attempted bombing, had contacted the Syrian Ambassador in London after his scheme misfired.

In Libya, a statement from the Foreign Affairs Bureau referred to the British break-off in relations as "an extension of organized terrorism"

and urged all Arab countries, as well as Iran, to cut diplomatic ties with London and follow Syria's decision to close its airspace and harbours to British planes and ships.

The Libyans themselves have had no relations with Britain since a British policeman was killed outside the Libyan "People's Bureau" in London.

Outside Syria's few allies in the Middle East, there was scarcely a murmur of support, a silence which spoke volumes about Syria's reputation in the rest of the Arab world.

The Kuwaiti Cabinet complained that Israel was exploiting the tension between London and Damascus but repeated previous assertions that Kuwait has always "condemned all types of terrorism."

The English-language Egyptian *Gazette* and the daily Cairo newspaper to comment on the affair. An editorial accepted the evidence of Syrian complicity in the attempted bombing and stated that "Britain's action in breaking with Syria has now put it into the frontline in European efforts to combat terrorism."

# Millions to go on new campaign

Continued from page 1

ment to tackling Aids, which has now killed 250 people in this country and infected an estimated 50,000 men and women, would produce results.

"Ministers said the same thing a year ago, but nothing effective has been done," said Dr Charles Farthing, a registrar at St Stephen's hospital, Fulham, south-west London. "Every Aids doctor working in London has been pressing for a television advertising campaign for years, but we have been ignored."

Dr Farthing emphasized that Aids was no longer a homosexual disease and was rapidly moving into the heterosexual community. Latest estimates from New York show that one woman is infected for every two men in Central Africa; the ratio is one to one.

The percentage of those developing the disease is also increasing. Dr Farthing estimated that at least 50 per cent of those with the virus would develop the disease but over a longer period it could be as high as 100 per cent. "At least one hundred people become infected every day. We risk losing millions of lives."

Officials in the United States, where 15,000 people have died of Aids, are now urging that all Americans, including children are taught to protect themselves from the disease.

A Harley street doctor's theory that the virus was artificially created by American scientists was shot down by Aids researchers yesterday.

Dr John Seale, a venereal disease doctor, claims that he has evidence that technicians created the virus by combining a sheep virus with a human leukaemia virus.

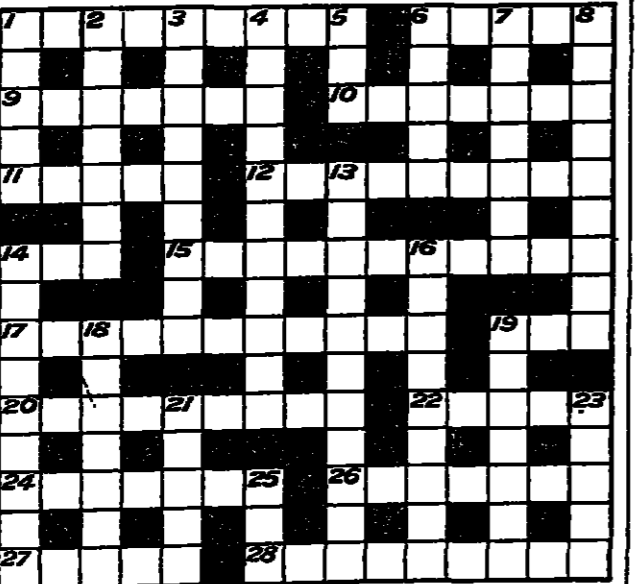
But Dr Angus Dalgleish, a clinical scientist at the Northwick Park Hospital said that the chances of being able to make such a unique virus were "zero".

## Today's events

**Royal engagements**  
The Princess of Wales attends the Women of the Year luncheon, in aid of the Greater London Fund for the Blind, at the Savoy Hotel, 12.35.  
Princess Anne attends the Air

League annual reception, in aid of the Air League Education Trust, in the Martini Terrace, New Zealand House, Haymarket, 6.30; then attends a banquet, in aid of the Great Ormond Street Hospital for Sick Children, at Guildhall, 7.50.  
New exhibitions  
Antarctica: Continent for sci-

## The Times Crossword Puzzle No 17,187



- ACROSS**
- The salesman who told Shelley of Ozymandias? (9)
  - Labilities of a girl coming out the back way? (5)
  - Carrier of speaker's gift an Irishman returned? (4-3)
  - Jazz singer in comic role in the Empire State? (7)
  - It's the same even without its central characters? (5)
  - Allusion to soldiers having barrier for self-protection? (9)
  - In marsupials, a capacious pouch? (3)
  - Injured kestrel with a red 19 ac? (11)
  - Transmute indigenous plant, with possibility of choice? (11)
  - Follow with a better collection at the meet? (3)
  - Morning diversion with no point for a Mycenaean king? (7)
  - Regarding an area of medical specialization? (5)
  - One very recently in quarantine? (7)
  - Wanderer's resting-place in Paris where it's sophisticated? (7)
  - Longing for food, settled on a starter? (5)
  - Go too far across a stretch of water? (9)
- DOWN**
- Cotton fabric goes up endlessly - makes us apprehensive? (5)
  - Mikado, perhaps? A second one with a muscular twitch? (7)

**The Solution of Saturday's Prize Puzzle No 17,186 will appear next Saturday**

Concise Crossword page 14

## THE TIMES INFORMATION SERVICE

**Nature notes**  
Yellowhammers are leaving the hedges and reed bunting are drifting away from the water-side. These birds gather in small flocks in the fields, where they will remain until the spring. Some reed buntings will go over to France.

The most sedentary of the British finches are the bullfinches, who stay in pairs and rarely go far from their breeding territories, though the males are bright red, black and white birds. They are not often seen in the dense bushes they frequent, but are only heard calling with a low, musical note.

The most common birds on ponds now are coots and tufted ducks. Many birds of both species have just come in from Northern Europe. Coots by clumsily with a lot of splashing when they first try to get up from the water, but they are powerful on the wing and manage the sea crossing without difficulty. The tufted duck has yellow eyes that shine like glass.

There are orange or scarlet berries on woody nightshade. White dead-nettle will go on flowering, while the weather stays mild, and red campion can still be found.

**DJM**

**The pound**

|                 |        |        |
|-----------------|--------|--------|
| Bank            | 2.285  | 2.185  |
| Australia \$    | 21.20  | 20.00  |
| Belgium F       | 32.40  | 32.40  |
| Canada \$       | 2.235  | 1.945  |
| Denmark Kr      | 11.34  | 10.64  |
| France F        | 7.45   | 6.52   |
| Germany DM      | 2.350  | 2.250  |
| Greece Dr       | 214.00 | 180.00 |
| Hong Kong \$    | 11.25  | 10.75  |
| India Rupee     | 1.1    | 1.0    |
| Italy Lira      | 207.0  | 192.0  |
| Japan Yen       | 240.00 | 228.00 |
| Netherlands Gld | 3.28   | 3.00   |
| Norway Kr       | 10.90  | 10.38  |
| Portugal Esc    | 218.00 | 208.00 |
| Spain Ptas      | 167.75 | 167.75 |
| Sweden Kr       | 10.25  | 9.70   |
| Switzerland F   | 2.465  | 2.285  |
| USA \$          | 1.475  | 1.400  |
| Yugoslavia Dnr  | 725.00 | 625.00 |

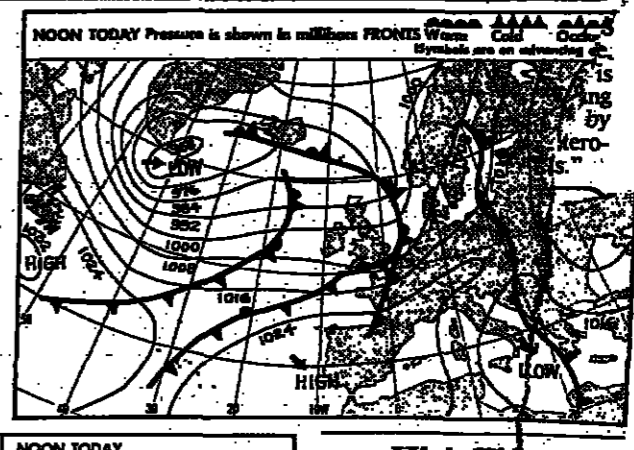
Rates for small denomination bank notes only as supplied by Barclays Bank PLC. Different rates apply to travellers' cheques and other foreign currency business.

Retail Price Index: 267.8  
London: The FT index closed 1251.8 up at 17, on Friday.

## Weather forecast

A trough over northern and eastern areas will clear from the N, but continue to affect southern areas. A further trough will approach the NW later.

**6 am to midnight**  
London, SE, central S England, East Anglia, Midlands: Mostly cloudy, occasional rain, moderate at times; wind W to SW, moderate to fresh; max temp 14C (57F).  
Channel Islands, SW England, Wales: Cloudy, occasional rain or drizzle and hill and coastal fog; wind moderate to fresh W to SW; max temp 14C (57F).  
E. central N, NE England: Sunny intervals, a few showers, perhaps more general rain later; wind W to SW moderate; max temp 13C (55F).  
NW England, Lake District, Isle of Man, SW Scotland, Argyll, Northern Ireland: Mostly cloudy, occasional showers or outbreaks of rain; wind W to SW, moderate to fresh; max temp 13C (55F).  
Bleas, Edinburgh, Dundee, Glasgow, Central Highlands, NW Scotland: Rather cloudy, occasional rain or showers, hill fog; wind W to SW moderate to fresh; max temp 13C (55F).  
Aberdeen, Moray Firth, NE Scotland, Orkney, Shetland: Cloudy, occasional rain; moderate to heavy at times, brighter later; wind strong to gale S to SE becoming W to SW moderate to fresh; max temp 11C (52F).  
Outlook for tomorrow and Wednesday: Cloudy with rain in the S on Tuesday, but brighter with scattered showers in the N. Sunny intervals and showers on Wednesday, heavy and windy at times over northern hills. Temperatures near normal in the S but rather cold in the N.



**High Tides**

| Location      | AM    | PM    |
|---------------|-------|-------|
| London Bridge | 6.24  | 6.30  |
| Abbeville     | 6.29  | 6.35  |
| Cardiff       | 12.17 | 12.23 |
| Belfast       | 6.00  | 6.06  |
| Aberdeen      | 12.02 | 12.08 |
| Dunfermline   | 11.57 | 12.03 |
| Dumfries      | 6.25  | 6.31  |
| Edinburgh     | 11.21 | 11.27 |
| Exeter        | 6.53  | 6.59  |
| Hull          | 5.18  | 5.24  |
| London        | 6.24  | 6.30  |
| Manchester    | 11.21 | 11.27 |
| Newcastle     | 6.25  | 6.31  |
| Portsmouth    | 6.25  | 6.31  |
| Sheffield     | 11.21 | 11.27 |
| Southampton   | 6.25  | 6.31  |
| Swansea       | 11.21 | 11.27 |
| Wolverhampton | 11.21 | 11.27 |
| Wrexham       | 11.21 | 11.27 |
| Yarmouth      | 11.21 | 11.27 |

## Remembrance day

Remembrance Sunday this year falls on 9 November. The national day of remembrance will be observed from 11 am.

## Portfolio Gold

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1. Times Portfolio is a weekly publication of the Times. It is not a condition of taking part.

2. Times Portfolio Gold comprises a group of public companies whose shares are listed on the Stock Exchange and quoted in the Times. The list of companies is published in the Times Portfolio Gold. The list of companies is published in the Times Portfolio Gold.

3. The Times Portfolio Gold is a weekly publication of the Times. It is not a condition of taking part.

4. The Times Portfolio Gold is a weekly publication of the Times. It is not a condition of taking part.

## Bond winners

The winning numbers in the weekly draw for Premium Bond prizes are: £100,000: J1W1, 713674 (the winner lives in West Sussex); £50,000: 8ST 620423 (Devon); £25,000: 22RP 941050 (Surrey).

## Parliament today

Commons (2.30): Debate on Scottish Nationalist Party and Plaid Cymru motion on regional policy. Debate on Opposition motion on changes in immigration rules.

## Anniversaries

Births: Desiderius Erasmus, in the Low countries, c. 1466; Captain James Cook, Marton, Yorkshire, 1728; Niccolò Paganini, Genoa, 1782; Theodore Roosevelt, 26th president of the USA 1901-09, New York, 1858; Dylan Thomas, Swansea, 1914.

Deaths: The Great of Russia, Moscow, 1505; George Morland, landscape painter, London, 1804; Lisa Meitner, codiscoverer of nuclear fission, Cambridge, 1968.

## Lighting-up time

| Location   | Sun sets | Sun sets |
|------------|----------|----------|
| London     | 5.14 pm  | 4.44 pm  |
| Edinburgh  | 5.14 pm  | 4.44 pm  |
| Newcastle  | 5.17 pm  | 4.47 pm  |
| Manchester | 5.17 pm  | 4.47 pm  |
| Cardiff    | 5.20 pm  | 4.50 pm  |
| Aberdeen   | 5.23 pm  | 4.53 pm  |

## Yesterday

| Temp       | C  | F  |
|------------|----|----|
| London     | 11 | 52 |
| Edinburgh  | 10 | 50 |
| Newcastle  | 11 | 52 |
| Manchester | 11 | 52 |
| Cardiff    | 11 | 52 |
| Aberdeen   | 11 | 52 |

## Our address

Information for inclusion in The Times Information Service should be sent to: The Editor, The Times, 1, Victoria Street, London, E1 6DN.

## Around Britain

| Location   | Sun Rain | Temp | Wind |
|------------|----------|------|------|
| London     | 1.5      | 12   | 4    |
| Edinburgh  | 1.5      | 12   | 4    |
| Newcastle  | 1.5      | 12   | 4    |
| Manchester | 1.5      | 12   | 4    |
| Cardiff    | 1.5      | 12   | 4    |
| Aberdeen   | 1.5      | 12   | 4    |

## Abroad

| Location      | C  | F  |
|---------------|----|----|
| Algeria       | 22 | 72 |
| Amsterdam     | 12 | 54 |
| Antwerp       | 12 | 54 |
| Athens        | 18 | 64 |
| Bombay        | 28 | 82 |
| Buenos Aires  | 18 | 64 |
| Calcutta      | 28 | 82 |
| Cairo         | 22 | 72 |
| Colon         | 28 | 82 |
| Hong Kong     | 22 | 72 |
| London        | 11 | 52 |
| Lyons         | 11 | 52 |
| Madrid        | 18 | 64 |
| Moscow        | 12 | 54 |
| New York      | 12 | 54 |
| Paris         | 11 | 52 |
| Rome          | 18 | 64 |
| San Francisco | 12 | 54 |
| Shanghai      | 22 | 72 |
| Singapore     | 28 | 82 |
| Tokyo         | 18 | 64 |
| Washington    | 12 | 54 |
| Zurich        | 12 | 54 |

الجمهورية الجزائرية الديمقراطية الشعبية



Million Africans to die of Aids, world experts say

Executive Editor Kenneth Fleet

STOCK MARKET (Change on week)

FT 30 Share 1251.6 (-29.9) FT-SE 100 1577.1 (-32.9) Bargains 25605 USM (Datastream) 125.16 (+0.46)

THE POUND (Change on week)

US Dollar 1.4130 (-0.0190) W German mark 2.8705 (+0.0437) Trade-weighted 67.9 (+0.6)

Boots plans out-of-town store battle

By John Bell City Editor

Boots, the high street chain with nearly 1,000 stores, is to make a major investment in out-of-town retailing.

The group is expected to announce this week that it plans 40 superstores of 30,000 sq ft or more, each with parking for at least 150 cars.

The first, thought to be in Dudley, West Midlands, is likely to open in February, with others at Cardiff, Cricklewood, north-west London, and Leicester to follow.

Edge-of-town shops are a radical move for Boots, and will bring the group into direct confrontation with some of Britain's most competitive retailers. Another break with practice will be the merchandise in the superstores.

Boots would not comment yesterday, but analysts expect that there will be emphasis on toys and babywear. A cross between Toys 'R Us and Mothercare is how one analyst put it.

After severe City criticism following the \$555 million (£388 million) purchase of Flint, the American pharmaceutical group, there are indications that Boots is adopting a tougher approach in its retailing policies.

City Bill back for debate

The Financial Services Bill which sets up the regulatory framework for the City is due to be debated on its third reading in the House of Lords today. It returns to the Commons on Thursday.

£100m Rover cash denied

The Government has dismissed weekend reports that it had agreed to inject £100 million into the state-owned Rover Group as premature and "absolutely speculative".

Pay deals drop to lowest level for three years

By Derek Harris and Rodney Lord

Indications that pay increases are starting to slow down brought the Government better news on the economy at the weekend.

According to the pay databank of the Confederation of British Industry, settlements in manufacturing dropped from 6 per cent in the first two quarters of the year to 5 1/2 per cent in the third quarter. This is the lowest level for three years.

The figures suggest that pay settlements are beginning, if only slightly, to respond to recent low levels of inflation as predicted by the more optimistic economic forecasters.

The continued high level of pay increases has worried the Government which feared that British industry's competitiveness might be further eroded and unemployment increase as a result.

One reason the Government has wanted to prevent too steep a fall in the pound is concern that a big rise in import prices could prompt

higher pay demands at the start of the new pay round.

This week, the foreign exchange market is expecting quieter trading for sterling. Helped by a recovery in the dollar, the pound ended last week firmer, making the prospect of another rise in interest rates less imminent.

Although the CBI is treating the figures with caution, it believes they are evidence of a downward movement in settlements.

So far the trend has not emerged in Department of Employment returns, which this month showed that in August the underlying trend in average earnings was still 7.5 per cent, at which level they have stubbornly remained since the middle of 1984.

More than 70 per cent of the reported settlements in the third quarter lay in the band from 4.5 per cent to 7.5 per cent with just over 50 per cent in the 4.5 per cent to 6.5 per cent band.

It looks likely that less than 20 per cent of the settlements were below what has widely been regarded as the psychological barrier of 5 per cent.

The CBI, which still regards the average level as too high, will be watching keenly during the final quarter of the year for a wider breaching of the barrier.

When the provisional figures have been analysed, it looks likely that some sectors will show high pay settlements continuing. Other surveys have pointed to high levels in industries like chemicals and some vehicle manufacture although most settlements in mechanical engineering have been at the lower end of the scale.

The CBI says the range of settlements remains wide, reflecting tailoring to suit the differing circumstances of individual companies.

The third quarter deals have largely left the length of the basic working week intact.

New disc 'will be top seller'

By Derek Harris

Electronic entertainment products, which have already seen market growth of 77 per cent in the past five years, are forecast to be the fastest expanding sector in the remaining years of the decade, followed closely by office products.

This emerges from a survey in which the Market Assessment consultancy examines prospects for 300 market sectors.

Compact disc players and discs are forecast to be the two fastest growing items in the rest of the decade. The next fastest-growing markets are expected to be office products such as shredders, floppy discs, telephones, fax systems, ribbons and art materials.

A near doubling in sales of electronic entertainment products is forecast for the rest of this decade, with office products expected to see growth of 78 per cent.

Next biggest growth is forecast for home durables, like electrical appliances, at 33 per cent, followed by leisure equipment (22 per cent), gardening (14 per cent), personal care (12 per cent) with 10 per cent growth in both leisure pursuit products and drinks.

Although home maintenance is expected to see 9 per cent growth over the five years, it is not placed among the top 50 growth markets.

Only three drinks sectors figure in the top 50 forecast: mineral water, wine-making ingredients and pre-mixed cocktails.

Leading food-growth markets, it is suggested, will be frozen fruit, frozen meat, dry pasta, ground coffee, ice cream, frozen desserts, canned meats, meat pies and canned fish. A growth rate of 6 per cent is forecast for savoury foods.

Contraction, small in some cases, is forecast for hitherto growing markets like mainframe computers, telephone exchange equipment, microwave ovens, electric kettles, personal stereo cassette players, canned vegetables and eye makeup.

Market Forecasts 1986: £250 from BLA Group, 2 Duncan Terrace, London N1 8BX.

Bass seeks £100m acquisition in US

By Cliff Feltham

Bass, the Carling Black Label and Tennent's brewing giant, is making a big effort to expand in the United States. High on the list of priorities is the acquisition of an hotel or restaurant chain with a value of more than £100 million.

Sir Derek Palmer, the chairman, has made it clear he sees the US as a logical step in the group's overseas development but this has now taken on added importance as the company - like many other British brewers - sees expansion of its drinks business at home facing increasing difficulties.

In recent months, a Bass team of specialists has been taking a close look at opportunities in North America. Mr Peter Scurluck, a former banker at Hill Samuel and now director of business development for the brewery, said: "Ideally we would like to buy a business in the restaurant or hotel line but if something else comes up we will look at it very closely."

The acquisition is not intended to take the group into an entirely new direction but we are keen to expand into what is a very important market.

"Expansion in the brewery business at home is limited and while we have been examining possibilities in Europe, it is the US we are looking at most closely. We are aiming to acquire a small business we can build up."

Bass already has a foothold in bingo in the US. It operates three large bingo centres on Indian reservations and says business is booming. But there are difficulties with the regulatory authorities for overseas operators moving into the gaming business.

Bass has not made a big acquisition in Britain for six years, when it bought the Coral Leisure group for £90 million, and has declared it wants to increase the contribution from its leisure activities which take in the Crest Hotels chain, Coral racing and social clubs, Pinnacles, and amusement machines from about 17 per cent to 25 per cent by the end of the decade.

Bass, like its rivals, is aware that the Monopolies and Mergers Commission makes it virtually impossible to expand brewing interests at home, which are anyway coming under increasing pressure, particularly as the industry's tied-house system is also under review.

Market waits for Apex to increase Phit offer

By Judith Huntley, Commercial Property Correspondent

Apex Group's tender offer of 160p a share for 29 per cent of Property Holding and Investment Trust closes today.

The New Zealand property company, run by Mr Graham Hamilton, is constrained by the tender offer from buying Phit shares in the market.

In the meantime, a white knight in the shape of the Chase Corporation, part of New Zealand's Chase Group, has come in with a full-scale agreed bid in a two-for-one share offer for Phit with a cash alternative of 165p a share.

It is using its recently-acquired 63.1 per cent interest in Wingate Property Investments at a premium which is three times its asset value.

The question now is whether Apex will come back with a full bid at a higher price. The market thinks it will.

Shareholders, including the investment arm of Morgan Grenfell, the merchant bank, which has a 15 per cent stake in Phit, and Pearl Assurance and the Foreign & Colonial Investment Trust, which helped Phit see off an earlier £109 million bid from Greycoat Group, must decide whether to opt for high-yield Wingate paper, cash or wait for a higher bid from Apex.

Phit's shares were trading at an 11 per cent premium to net asset value at the weekend, a reversal of its position a few months ago when the discounts suffered by property investment companies made them prime targets



The abacus still counts

The City may be going high-tech today, but Commander Richard Percival Maxwell of Trowbridge, Wiltshire, seen left with his daughter Jemima, believes you still cannot beat the abacus for adding and subtracting.

The Commander, who has written a booklet on the use of the abacus, said: "Although the electronic calculator is more efficient for all but the simplest calculations requiring multiplication and division, the abacus is still faster for addition and subtraction."

He proved to The Times yesterday that he can add and subtract four-figure numbers faster on an abacus than most people using a calculator.

"Although Japan is the home of the pocket calculator, the number of people learning to use the abacus has increased in the past 15 years," he said.

Big Bang set for muffled beginning

By Richard Thomson Banking Correspondent

A quiet start for the stock market was expected this morning as market-makers struggled with still-unfamiliar computer equipment. Unlike the rehearsal time days ago, the trading today is for real money and most firms are unlikely to risk overloading their systems with high turnover.

After the last rehearsal for today's Big Bang, many people believe traditional trading on the floor of the Stock Exchange will remain popular for the time being until market-makers are satisfied they can handle the telephone- and screen-based market.

Big Bang report 27-42

The gilt-edged market appears to be in better shape than the equity market. It has had two reversals and its 27 market-makers are said to be better prepared than those operating in the equity market.

Dealers were at work earlier than usual. At 7.30am the Stock Exchange floor opened to market-makers. At eight o'clock, the Stock Exchange Automated Quotations system (SEAQ), on which the market depends, was started to enable market-makers to update their opening prices. Full dealing started at 9am.

Analysts are more optimistic, however, about the long-term prospects of many of the companies formed for Big Bang. Merchant bank shares in particular have taken a battering as investors worried about their exposure to the new markets.

Morgan Grenfell, which has built up a considerable commitment to the securities markets, recommends clients to buy undervalued merchant bank shares now before the benefits of Big Bang start to push up their value. Its banking analysts say the commitments of most banks to Big Bang, and their involvement in market-making, have been overplayed.

"For most banks, British securities are expected to contribute less than 10 per cent of 1986-87 profits," they say.

Morgan Grenfell says comparisons of the capital adequacy of the banks with those of big Japanese and US securities houses are misplaced. Foreign institutions have committed a relatively small proportion of their total capital to the London market.

Morgan Grenfell also predicts a pick-up in corporate finance activity

Last rates expected in home loan hike

By Martin Baker

The mortgage lenders who have not raised the interest they charge on home loans will this week decide where to pitch their new rates. Last week most lenders increased rates by about 1 1/4 per cent.

Until the latest increase in base rates, there was a cosy unanimity about mortgage rates. All leading lenders had levied interest at a nominal rate of 11 per cent.

Barclays and National Westminster banks and Bradford & Bingley and Anglia building societies are deciding their new rates. But they must strike a balance between the likely movements in base rates and their competitive position in the market.

The three-month interbank rate, a money market long-range weather forecast for interest rates, eased 3/16 on Friday. This suggests a short-term rise in base rates is unlikely.

The Halifax Building Society announced a 1 1/4 per cent increase in mortgage costs and a rise of 3/16 per cent on investments. The Abbey National followed with an increase of 1 1/4 per cent, up to

Japan to consider tax reform

From David Watts Tokyo

Tax cuts for middle-income earners, a new capital gains tax and abolition of tax exemption on small savings are recommended in a series of measures which will be put to the Japanese Prime Minister by a government advisory commission this week.

Like the US, Germany and some other countries Japan is seriously considering radical tax reforms to reduce tax rates while doing away with tax exemptions.

The commission will also make proposals on a new indirect tax and corporate tax reforms, one of which would reduce tax rates for companies to less than 50 per cent from the present 52.92 per cent.

Mr Yasuhiro Nakasone, the Prime Minister, will receive the proposals, many of which are still controversial, tomorrow. The Government is likely to implement most of them.

The tax commission's proposals, as leaked to a Japanese newspaper, suggest that gains on share transactions of 50,000 shares with a par value of 50 yen or 10,000 shares with a larger par value will be subjected to tax.

It is also suggested that 59 per cent of the proceeds from the sale of shares will be deductible as "necessary expenses". The tax on the remainder will be about 5 per cent and will be withheld at source.

The Government intends to reduce the present maximum tax rate from 70 to 50 per cent while reducing the number of taxation stages from the present 15 to 6.

£29 bargain holidays

By Our Industrial Editor

More foreign holiday bargains were announced yesterday when NAT Holidays, one of the first medium-sized tour operators to bring out 1987 summer brochures, offered self-drive motoring holidays at £29 and a variety of family offers, including 3,500 free child places.

NAT is also chartering trains to carry holidaymakers to the South of France and Spain on holidays starting from £68. There are 5,000 one-week holidays in France at this price.

Many camping and caravanning holidays are cheaper than last year, NAT claims. On average, there are price reductions on last year of 7 per cent to Yugoslavia and 3 per cent to France and Italy.

There are 3,000 of the low-price motoring holidays.

Advertisement for Phillips & Drew featuring the slogan 'SURVIVAL OF THE FITTEST.' and several illustrations of men in suits representing different financial services like 'Corporate Finance', 'Equities', 'Dealers thriving on competition', 'Fund Management', 'Fixed Interest', and 'Doing record business'.

ons to go on campaign

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GILT EDGED

A packed house, but Lawson is left without a leading lady

Some City commentators have criticized the Chancellor for failing to explain his reasons for dropping the £M3 target in his Mansion House speech...

Table with 2 columns: Imports, Exports. Rows include Total, Manufactures, Of which, Other consumer, Intermediate, Capital, Semi-manufactures.

But they may be wrong to criticise. Diners at the Mansion House had heard the same £M3 story last year and Loughborough was a more appropriate venue...

ing picture. The breakdown of figures is ominously consistent with other official statistics about the economy. The table, with figures in value terms, shows the growth rate of various categories of exports and imports...

Big Bang, which is upon us today, has swept away many facets of the old world and now City economists should be packing away their old £M3 toolkits.

rushed to cover their positions. But the market had been the principal currency for speculation against sterling. So in the rush to close down bull positions in marks, even bull positions in marks against sterling were closed.

Although the old brally brigade may feel little comfort in the new high-tech world, at least an economics change usually means, not something totally new, but rather a reversion to something once familiar, and in this instance, all too familiar. Our guess is, £M3, and back come the exchange rate, official reserves, and trade figures.

Do not be deceived. Rarely are the currency markets able to focus on more than one bit currency at a time. On Friday, the collective consciousness of the currency markets was taken up with the yen/mark/dollar axis.

How bad were September's trade figures? Awful. They were a distinct improvement on August's, but that is to damn with faint praise. The trade deficit in September, far from revealing an underlying improvement, was worse than most months this year, except March and August.

Further currency pressure will put the authorities in a terrible bind. For they know that some of the pressure is rooted in political uncertainty, about which they can do nothing. The Chancellor's hands are tied on economic policy. He has, more or less, committed himself against raising interest rates, in the short term at least.

The oil balance improved on the month, erratic items were favourable, and although movement in terms of trade was adverse, in terms of volume the figures show a continuing deterioration. Compared with July, and excluding oil and erratics, exports in volume terms for September increased by only 1.5 per cent, whereas imports climbed by almost 3.5 per cent.

Some token resistance to further sterling weakness, in the form of higher rates, is on the cards, but the logic of the Prime Minister's opposition to EMS membership suggests a defence of sterling would be less than whole-hearted. Her reason for not joining the EMS is that it would remove the option of making the strain of speculation against the pound on the exchange rate.

Of course, the figures are dubious, but in time revisions could reveal a more encouraging picture. The oil balance improved on the month, erratic items were favourable, and although movement in terms of trade was adverse, in terms of volume the figures show a continuing deterioration.

Political change could fulfill the first proviso, but may contradict the second. That would make the exchange rate problem worse. With such bad figures, why was the pound strong against the mark on Friday? Some sectors of the market had been looking for a sound Opec agreement on oil prices to save the Chancellor. However, the outcome of the Opec session was a non-event. Oil prices drifted.

Think of the job opportunities: "Wanted as back up to facsimile machine; messenger, preferably German speaking, willing to travel to Frankfurt once a month; radio provided."

When the Prime Minister relents and allows us to join the EMS, we will see the economists' older skills and the high-tech confront each other. In an exchange-rate system one country has to watch something other than the exchange rate. In the EMS it is West Germany. It watches, inter alia, the central bank money stock.

Other countries have cleared of the adoption of an exchange rate target, which for political reasons, will have to wait. This leaves the Chancellor in the unfortunate position of a theatre manager, who, having packed the house with an expectant audience, finds that the leading lady has not turned up. What option has he but to try to keep them in the bars for as long as possible? If the worst comes to the worst, donning dinner jacket and bow tie, he can spoon out the wit with a few jokes from in front of the curtain.

The same principle had to apply to an application for case stated to justices. The Queen's Bench Divisional Court so held in allowing an appeal by the prosecutor, William Barton, by way of case stated against a decision of the Sutton Justices on May 14, 1986 dismissing two informations laid against the defendant, Dairies Ltd, alleging offences of distributing two bottles of milk unfit for human consumption contrary to section 8(1)(b) of the Food Act 1984.

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Justices erred over mouse found in milk bottle

Barton v Unigate Dairies Ltd Before Lord Justice Ralph Gibson and Mr Justice McNeill (Judgment October 20)

was against the upholding by the justices of submissions of no case to answer in respect of two informations.

The first alleged that the defendants, being distributors of milk, on August 13, 1984 "failed to ensure that a bottle of milk was fit for human consumption in that it contained the body of a rodent, contrary to section 8(1)(b) of the Food Act 1984".

The second alleged an offence under the same subsection, the bottle in question containing pieces of glass.

Before the justices evidence was adduced by the prosecutor, William Barton, by way of case stated against a decision of the Sutton Justices on May 14, 1986 dismissing two informations laid against the defendant, Dairies Ltd, alleging offences of distributing two bottles of milk unfit for human consumption contrary to section 8(1)(b) of the Food Act 1984.

The justices were of the opinion that the evidence was insufficient to support convictions under section 8 of the Act.

LORD JUSTICE RALPH GIBSON said that the appeal

was against the upholding by the justices of submissions of no case to answer in respect of two informations.

and that the informations should have been brought under section 7, so as to afford the defendants the opportunity to raise the defence under section 3(2), namely, that the presence of the extraneous matter was an unavoidable consequence of the process of collection or preparation.

The words of the analyst's report were not to be taken as having the limited effect argued for by the defendants. The

That was a case, however, decided on its particular facts, was not a decision that if "unfitness for human consumption" was proved to have been caused by the presence of an added substance leading to putrefaction, the prosecution must nevertheless proceed under what was now section 2 of the 1984 Act.

In the instant case there was evidence that the bottles full of milk were rendered unfit for human consumption by the presence of the mouse and the pieces of glass. It was not a case in which the effect of the extraneous material was limited to causing the food to rot, as the nature, substance or quality demanded by the purchaser (the section 2 offence).

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Surety is not guarantor

Regina v Bow Street Magistrates' Court, Ex parte Hall and Another Before Lord Justice Lawton, Lord Justice Lloyd and Lord Justice Balcombe (Judgment October 23)

There was no analogy between a surety entering into a recognizance and a guarantor of the defendant's conduct.

The Court of Appeal so held when allowing, to a limited extent, an appeal by the applicants, Noel Hall, of Esmond Road, London, and Theresa Odofo, of Twyford, Abbey Road, Willesden, London, from the refusal of Mr Justice McCowan on November 28, 1985, to grant them judicial review of a decision of the Bow Street Magistrates' Court by which the applicants were ordered to forfeit sums of £15,000 and £10,000 and to serve terms of imprisonment of 12 and nine months in default thereof.

The power to forfeit recognizances was given by section 80 of the Magistrates' Courts Act 1980. In R v Southampton Justices, Ex parte Green (1976 QB 11) it was adjudged that forfeiture should not follow on mere proof of non-compliance with the condition of a recognizance. There had to be some evidence of fault.

A surety who misled the court as to his financial resources acted in a way which caused the court to do that which it would not otherwise have done and the error was the very roots of the surety system.

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LORD JUSTICE LAWTON said that the applicants offered themselves as sureties for the appearance in court of a man named Ehrentraut in the sums of £30,000 and £20,000 respectively. Both signed recognizances of £100,000, at which

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Justices must consider means for bail

Regina v Newcastle upon Tyne Justices, Ex parte Skinner Before Lord Justice Lawton, Lord Justice Lloyd and Lord Justice Balcombe (Judgment October 23)

Justices who contemplated requiring an applicant for a recognizance to state the case, pursuant to their power under section 114 of the Magistrates' Courts Act 1980, had to have regard to the applicant's means before making such a requirement and determining the amount of the recognizance.

The Queen's Bench Divisional Court (Lord Justice Glidewell and Mr Justice Otton) on October 21 accordingly granted an order of mandamus requiring Newcastle upon Tyne Justices to pay £500 prosecution costs in addition to a £400 fine, at the rate of £10 a week. MR JUSTICE OTTON said that it would take the defendant nearly two years to pay the fine and the costs at the rate of £10 a week. But there was reason to doubt that on his present income, he would be able to pay that amount each week.

Orders for costs and fines should be kept in step and an order for costs should be within the means of the defendant. An order should have been made such that it could have been paid off within a reasonable time, that is, within about one year.

The same principle had to apply to an application for case stated to justices. The Queen's Bench Divisional Court so held in allowing an appeal by the prosecutor, William Barton, by way of case stated against a decision of the Sutton Justices on May 14, 1986 dismissing two informations laid against the defendant, Dairies Ltd, alleging offences of distributing two bottles of milk unfit for human consumption contrary to section 8(1)(b) of the Food Act 1984.

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Vendor liable for cost of necessary works

Jacovides and Another v Constantinou Before Mr Justice Jupp (Judgment October 23)

The vendor of a fish and chip shop who had non-fraudulently misrepresented to the purchasers that the public health authority had not required any work to be done to the premises, was liable to the purchasers in damages for the cost of carrying out those works, even though there was no evidence that the true market price of the premises was less than what the purchasers paid for them.

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Court practice of showing all charges on list not unlawful

Regina v Weston-super-Mare Justices, Ex parte Shaw Before Lord Justice Watkins, Mr Justice Mann and Mr Justice Nolan (Judgment October 22)

The practice of producing for a bench of justices a list which set out the matters to be dealt with on a particular day and including charges related or unrelated against a single defendant was not unlawful.

The Queen's Bench Divisional Court so held in refusing the application of Philip Anthony Shaw for an order of certiorari to quash the decision of the Weston-super-Mare Justices, dated November 25, 1985, who rejected an application that they should not hear a charge against the applicant of failing to comply with section 3(2) of the Criminal Law Act 1967. A plea of not guilty had been entered on November 14.

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FOREIGN EXCHANGES

STERLING SPOT AND FORWARD RATES. Table with columns for Market rates, October 24, and Market rates, October 24. Rows include New York, Montreal, Amsterdam, etc.

Other Sterling Rates. Table with columns for Country, Rate, and Date.

DOLLAR SPOT RATES. Table with columns for Country, Rate, and Date.

MONEY MARKETS AND GOLD

EURO MONEY DEPOSITS %. Table with columns for Term, Rate, and Date.

TREASURY BILLS. Table with columns for Term, Rate, and Date.

GOLD. Table with columns for Item, Rate, and Date.

EGGD. Table with columns for Term, Rate, and Date.

Roger Bootle. The author is a director and chief economist at Lloyds Merchant Bank.

BASE LENDING RATES

Table with columns for Institution, Rate, and Date.

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HORIZONS

A guide to career choice

The answer to a leading question

It's common knowledge that British industry is short of young engineers and technologists. So why is there a conspiracy of silence over the equally dangerous shortage of young leaders?

The talent to "command affection and communicate energy" (as leadership has been described) is crucial to the role of management - yet among graduates it is a very rare commodity.

Employers who recruit through the "milk-round" year after year are accustomed to seeing scores of academically-able students who, unfortunately, lack any clue about how to motivate or organise others. "Yet an aptitude for leadership is what we look for first of all," said Roger Ellis of Barclays - and, in this, he was echoed by many other companies.

Barclays is a little unusual because it states quite categorically in its recruitment literature that it wants "decisive and persuasive personalities who have already shown that they can take an active or leading part in school, university, or outside activities". Marks & Spencer too states boldly that it is looking for "leaders, achievers, rebels, organisers, and initiators". But when you scan, for example, *Graduate Opportunities '87* (Newpoint) there are strikingly few companies which give priority to these personal qualities.

For example, neither Plessey, nor Smith and Nephew, nor STC, nor Racal, nor INMOS, nor Pearl Assurance, nor Albright & Wilson so much as hint that anything other than academic qualifica-

The ability to command affection and to communicate energy is crucial to the role of good management.

Edward Fennel considers the dismal lack of graduates with the talent to motivate and organize others

planning, team-leading, and interpersonal skills and their ability to establish a sense of direction within a group.

Massey now goes to considerable lengths to try to evaluate these intangible and immeasurable qualities. Once it has sorted through the initial application forms it will bring in selected candidates to its Assessment Centres and put them through a range of interviews and group discussions. It will also ask them to make formal presentations. "They may claim to be good communicators and to have leadership abilities but we want to see them in action before we make a judgement," says Massey Ferguson.

Ellen Cockburn, the Personnel and Training Manager for the multinational materials firm Steeley, operates a similar system and bewails the fact that although some students are capable of giving shining performances many others fail miserably through lack of confidence and lack of experience. "I believe in leaders being made as well as born," she says, "and I feel that not enough is being done to help students develop these skills."

Personnel and training consultant Jane Beck shares this view. Having just completed a development programme for the hotel and catering industry she concluded that women, in particular, need much more help in developing their leadership potential. "I find that women trainee managers, many of them graduates, tend to be bossy and overbearing to their subordinates but far too subservient to their seniors," she said. "They really need a lot of extra help if they are to achieve the leadership skills which are needed to rise to the top positions."

No doubt many of these unprepossessing graduates, male as well as female, end up in rather hum-drum jobs where the emphasis is more on administrative skills than on dynamic leadership. But the result, clearly, is that the educational system is producing a substantial number of intelligent, well-educated people who lack the flair, the drive and the

communication skills to make the fullest use of their talents. Why is this?

There is little doubt that the academic emphasis throughout the whole 16 to 22 system allows students to believe that getting good grades is sufficient by itself for long-term career success. Moreover, the decline of group and team activities within schools means that there are fewer opportunities for students to gain the experience of working with others or to develop the skills of self-expression and assertiveness which, subsequently, employers will look for. As a result there is a danger that there is being nurtured a generation of "swots" who are studious but socially ineffective.

Of course there are exceptions to this. One of the strengths of independent boarding schools, for example, is that they have the time and the facilities to lay on lots of activities and there is plenty of scope for sixth formers to become deeply engaged in group events outside the classroom.

Indeed the people most likely to impress graduate recruiters these days are the enterprising individuals from schools where nothing much happens who succeed in energising their fellow-students into action.

Stuart Nicholls is the Principal of a large sixth form college and he wrestles daily with the problem of how to "widen the curriculum" so as to give his students the broader experiences of responsibility

Success demands far more than good academic grades

and involvement which are essential to their personal development. He sees that the passing of the old traditional prefectorial system as no great loss but feels that it is vital that the comprehensive system should create new structures to nurture the leaders of the future.

"Institutions such as our college council for example, on which 60 tutor groups are represented, provides an opportunity for individuals to express the views of their fellow students, report back decisions, and to take on responsibility for some part of the running of the college. It works on the basis of persuasion rather than the old authoritarianism of the prefect system and is a much more rewarding and richer experience as a result. On top of that we also encourage the setting up by the students themselves of all sorts of groups and associations and it is in those type of activities that we find the entrepreneurs and the innovators emerging."

There is a clear moral in this. Whether you are at school or in higher education it's important to spread your wings and have more to show on your curriculum vitae than lots of exam passes. If you want to impress an employer in a couple of years time, start doing something dynamic by yourself now.

There is still suspicion about the concept of leadership

tions are significant. Now presumably all these companies do, in fact, value personal qualities and leadership talents in particular. But by neglecting to spell it out these companies are contributing to the average student's sense of complacency.

Of course such omissions are not unusual. Maybe as a country we are shy or dislike the notion of "leaders" and are suspicious of the concept of "leadership" because it is too Germanic for our taste. The emphasis on negotiation and endless discussion is still the atmosphere in which we feel most comfortable.

It may not be surprising therefore that many graduates are shy of standing up and impressing their personality on the minds of employers despite the fact that they will need to impress in person, not just on paper, when they reach even the lowest level of management.

Massey Ferguson is one company which puts a high priority on identifying candidates with dynamic leadership skills. "From a candidate's application form and their academic record we can assess their ability to absorb, analyse, and interpret information," said Massey Ferguson's Graduate Recruitment Officer, "but what is much more difficult to assess is their personal attributes - their

UNIVERSITY APPOINTMENTS

London Business School Lecturer in Decision Science

Applications are invited for the appointment of Lecturer in Decision Science at the London Graduate School of Business Studies. Teaching duties will involve introductory statistics and operational research on the postgraduate and postexperience executive courses, with an emphasis on computing and decision-support. Applicants should have a strong interest in research and, by the time of appointment, hold a doctorate in this subject area. The appointment will be subject to the normal terms associated with a lectureship at the London Business School. Applications, including curriculum vitae and the address of 2 referees, should be sent to:

Derek Bunn, Chairman, Decision Science Subject Area, London Business School, Sussex Place, Regent's Park, London NW1 4SA.

LONDON BUSINESS SCHOOL

UNIVERSITY OF ST ANDREWS Department of English

Applications are invited for a LECTURESHIP tenable from October 1987. The English course takes in the whole range from Old English Language and Literature to the literature of the present day, including some Scottish literature. Candidates must be able to reach a wide range of topics at both Honours and pre-Honours level. Specialization in the Romantic period would be an advantage. Salary at appropriate point on scale £8,020 to £15,700 per annum, starting salary probably not above £10,865 per annum, plus USS.

Brief further particulars may be obtained from the Departmental secretary, the Department of English, University of St Andrews.

Applications (two copies preferably in type-script) with the names of three referees should be sent to the Establishments Officer, The University, College Gate, St Andrews, Fife, KY16 9AJ, to arrive not later than 21 November 1986.

UNIVERSITY OF WARWICK ASSISTANT REGISTRAR INTERNATIONAL OFFICE

Applications are invited from good honours graduates with University or relevant overseas experience.

The International Office was set up in 1982 to ensure the effective recruitment of, and provision of services for, overseas students. This is a key post in which the holder will play a formative role in the planning and organisation of the University's rapidly growing international activities.

Salary is on the Grade II scale: £12,280 - £15,700 p.a.

Further particulars from the Registrar, University of Warwick, Coventry CV4 7AL (0203 523627) to whom applications (2 copies, quoting three referees) should be forwarded quoting Ref. No. 12/8/86/J. Closing date 14th November 1986.

LADY MARGARET HALL OXFORD JUNIOR RESEARCH FELLOWSHIPS

The College invites applications from suitably qualified candidates, for the following Junior Research Fellowships:

TALBOT RESEARCH FELLOWSHIP 1987-90 Tenable for three years from October 1987. Open to men and women graduates of any university in Arts subjects, who will be under 30 years of age on 1st October 1987, and who are of post-doctoral or equivalent standing.

EPA CEPHALOSPORIN RESEARCH FELLOWSHIP 1987-90 Tenable for three years from October 1987. Open to men and women working in the Medical, Biological, or Chemical Sciences. Applicants will normally be expected to have at least two years' research experience following a first degree.

FLOREY RESEARCH FELLOWSHIP 1987-90 This is supplemental award open to women working in any sciences related to Medicine, and is intended for women of postdoctoral standing who already has or has arranged to have connections with an Oxford Laboratory.

Further particulars of both Fellowships and application forms may be obtained from the Principal's Secretary, Lady Margaret Hall, Oxford OX2 6QA. Closing date for all applications: 29th November 1986.

UNIVERSITY OF GLASGOW RESEARCH FELLOWSHIP IN ECONOMICS

Applications are invited for a temporary two year post in Economics (from January 1987 or as soon as possible thereafter) from candidates with postgraduate training in macroeconomics (or econometrics or other quantitative areas), to join a new research group in international macroeconomics, and to work on North-South interactions.

Salary will be up to point 6 on Range 1A of the salary scale for Research and Analogous Staff, (currently £10,375, subject to review) with placement according to age, qualifications and experience.

Further particulars may be obtained from the Department of Political Economy, Adam Smith Building, the University of Glasgow, Glasgow G12 8RT (phone No. 041 339 8653, ext. 4618). Applications (6 copies and enclosing an up-to-date C.V.) should be directed to the Departmental Secretary.

Closing date 20th November 1986.

UNIVERSITY OF DURHAM DEPARTMENT OF GEOGRAPHY

Applications are invited for the post of SENIOR DEMONSTRATOR for two years from 1 January 1987.

Candidates should be computer literate and interested in introducing computer-based work to undergraduates as well as in teaching practicals and tutorials. No particular research specialisation is sought but teaching opportunities in the candidate's specialism are normally available.

Initial salary £8,020 on Grade 1A with superannuation.

Applications (3 copies) naming three referees should be sent (quoting reference G1) by 7 November 1986 to the Registrar, Science Laboratories, South Road, Durham, DH1 3LE, from whom further particulars may be obtained.

University of London SIR CYRIL KLEINWORT CHAIR OF COUNTRYSIDE MANAGEMENT TENABLE AT WYE COLLEGE

The Senate invites applications for this new Chair, which has been established in recognition of the important relationships between primary land uses, rural societies and the environment. Applications are invited from persons who may come from any one of a number of relevant disciplines.

Applications (10 copies) should be submitted to the Teachers' Section, University of London, Malet Street, London WC1E 7HU, from whom further particulars should first be obtained.

The closing date for receipt of applications is 28 November 1986.

University of Exeter DEPARTMENTS OF GEOGRAPHY AND LAW RESEARCH ASSISTANT

A one year post to work on the final stages of the ESRC funded Access to Justice in Rural Britain Project from 1 January 1987.

The successful applicant should be a graduate in Geography, Law or related social science disciplines.

Salary within the range of £7055 - £8605 depending on age and experience.

Applications, including the names of 2 referees should be sent by 14 November 1986 to Dr M. Blackwell or Mr. K. Economides, University of Exeter, Exeter EX4 4RJ, telephone (0322) 283351 or 283376, from whom further particulars are available.

UNIVERSITY OF ABERDEEN CHAIR OF GERMAN

Applications are invited for the Chair of German from candidates with a distinguished record in research and scholarship and the capacity for leadership in the Department, Faculty of Arts and Social Sciences and University as a whole.

Further particulars and application forms from The Personnel Office, The University, Regent Walk, Aberdeen AB9 1FX with whom applications (2 copies) should be lodged by 12 December 1986 (Ref No ER/045).

SPECIALIST TRAINING

OPPORTUNITIES FOR WOMEN In COMPUTING AND ELECTRONICS

No prior experience required. A new training course specially designed for women is commencing Monday 1st December 1986 at the address shown below. (15 Minutes from Waterloo, London bridge, Victoria or Croydon)

Training allowances are based on the MSC Funded course. Please save 01 778 8322 to arrange an interview on either the 11th, 12th, 13th, 18th, 19th or 20th November at either 9.30 am or 1.30 pm.

Computer Insight Ltd, 14/16 High Street, London, SE20 7HG.

FELLOWSHIPS

THE UNIVERSITY OF MANCHESTER SENIOR FELLOWSHIPS

Applications are invited for SIMON RESEARCH FELLOWSHIPS in any of the Social Sciences, including Law and Education, tenable during the academic session 1987/88. Stipends normally within the range £8,020 - £15,700 p.a. (under review) (Simon Research Fellowships) or £14,870 - £18,625 p.a. (under review) (Simon Senior Research Fellowships) according to qualifications and experience.

Applications are invited for HALLSWORTH FELLOWSHIPS in advanced work in the field of Public Economy (including Public Administration). Stipends within the range £8,020 - £22,340 p.a. (under review) according to qualifications and experience.

These Fellowships are not awarded for postgraduate study and applicants should have experience which will qualify them to carry out a substantial piece of original research. Enquiries about the scope of the Fellowships are welcomed.

Further particulars and application forms (returnable by December 1st) are obtainable from the Registrar (Academic Staffing), The University, Manchester M13 9PL. Please state for which Fellowship details are required and quote ref. 247/86/7.

SCHOLARSHIPS

A GIFTED SON?

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A new range of scholarships for external candidates, boys between 8 and 11 is announced by Cheltenham College Junior School.

The scholarships in music, drama, art games and academic subjects are worth as much as one third off current school fees.

Operative from September 1987. Examinations: November 17th 1986.

For further details contact:

The Headmaster, Mr. David Cassell, Cheltenham College Junior School, Thirsteaine Road, Cheltenham GL53 7AB. Tel: (0242) 522697.

UNIVERSITY OF WALES UNIVERSITY FELLOWSHIPS

Applications are invited for a limited number of Fellowships in session 1987-88, available at the following Constituent Institutions:

- The University College of Wales, Aberystwyth
The University College of North Wales, Bangor
University College, Cardiff
The University College of Swansea
UWIST (Cardiff)
St. David's University College, Lampeter

The Fellowships are tenable for two years from 1 October, 1987, and are open to graduates of any University. Candidates should possess a research degree.

The stipend will normally be £8,020 (first year) rising to £8,505 (second year). This is at present under review. Applicants may obtain further details and application forms from the Registrar of the Institution they wish to enter, or from the Registrar of the University. The completed form should be lodged with the Registrar, University of Wales, University Registry, Cathays Park, Cardiff CF1 3NS by 2 February, 1987.

City of London School

SIXTH FORM ENTRY 1987 for boys and girls

Scholarships and places (including Assisted Places) are available for boys and girls of high academic ability wishing to enter the Sixth Form in September 1987. Admission is by examination and interview held in mid-February. Applications should be made by January 31st. The School moved in August of this year to magnificent newly-built and newly-equipped premises on a riverside site in the City. The average A level pass-rate for the last two years is 95%.

Further details and application forms from the Admissions Secretary at the School.

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UNIVERSITY APPOINTMENTS

EXECUTIVE OFFICERS who received their work in the Registrar's and Examinations Section of the Ministry. The sections are responsible for the preparation and examination of work received from the Registrar's and Examinations Section of the Ministry. The work is of a highly technical nature and involves a high degree of accuracy and attention to detail. The work is of a highly technical nature and involves a high degree of accuracy and attention to detail. The work is of a highly technical nature and involves a high degree of accuracy and attention to detail.

IMPERIAL COLLEGE OF SCIENCE AND TECHNOLOGY (University of London) SERC RESEARCH ASSISTANTSHIP

available in the Department of Electrical Engineering from November 1986, on the RA18 scale (£8,352 - £10,792 per annum).

The appointment is concerned with the development of new sequential multivariable design procedures for process control. Candidates should have a good background in the Mathematics of Control Theory, and experience in software development for Computer Aided Design. This appointment is initially for one year with the prospect of a renewal for a further two years and of undertaking research leading to a PhD.

Applications including CV, list of publications, and the names of two referees, to: The Principal Investigator, Professor G F Bryant, Department of Electrical Engineering, Imperial College, Exhibition Road, London SW7 2BT

KEBLE COLLEGE, OXFORD E.P.A. JUNIOR RESEARCH FELLOWSHIP

The College proposes to appoint a suitably-qualified candidate (normally in the age range 24-30) to an E.P.A. Junior Research Fellowship in some branch of the Medical, Biological and/or Chemical Sciences (including Biochemistry) for three years from 1 October 1987. The stipend of a Fellow in receipt of no other stipend will be £9,020 (at current rates). This will be approximately stated in other cases, but in no case will the total stipend fall below this figure. Further particulars, including details of accommodation and allowances may be obtained from the Warden, Keble College, Oxford, OX1 3PB, to whom applications should be submitted no later than 1 December 1986.

In milk bottle... try with false... cost rks... ist not unlawful







City lights: The gleaming NatWest tower that dominates London's financial centre and extreme left, the Stock Exchange where all changes today. Picture by Nick Rogers

# Big Bang lights up the City

## Kenneth Fleet analyses in a 16-page report today's dramatic rebirth

In the brilliant glare of the first atomic explosion, observers in the New Mexico desert could see the awesome nature of science and technology, American power, the inevitable defeat of Germany and the destruction of the Japanese war machine. In the autumn light of today's Big Bang, the writing is different, in two respects.

The explosion in the City of London is again technology driven: the global village in which London is a central district is built on computers and electronic communication and information systems. The United States is still the most resourceful country on earth but as a financial superpower it has now been joined by West Germany and Japan.

By virtue of economic performance, strict financial discipline, pride, determination and a high propensity among their people to save, Germany and Japan have joined the United States on the high ground of the world's capital markets. Most of the action either originates or takes place in New York and Tokyo, while West Germany frees and flexes its market muscles.

The capital markets themselves are changing radically. Money is moving more rapidly and in unimaginable volumes; it is also moving in different forms. International bank lending to cash-hungry governments and corporations is giving way to financing through stocks and bonds and instruments derived from them. "Securitization" is now the name of the game; and in the global village, securities can be traded 24 hours a day, 365 days a year.

Britain is neither big enough nor strong enough to step into the same ring as the US, Japan and



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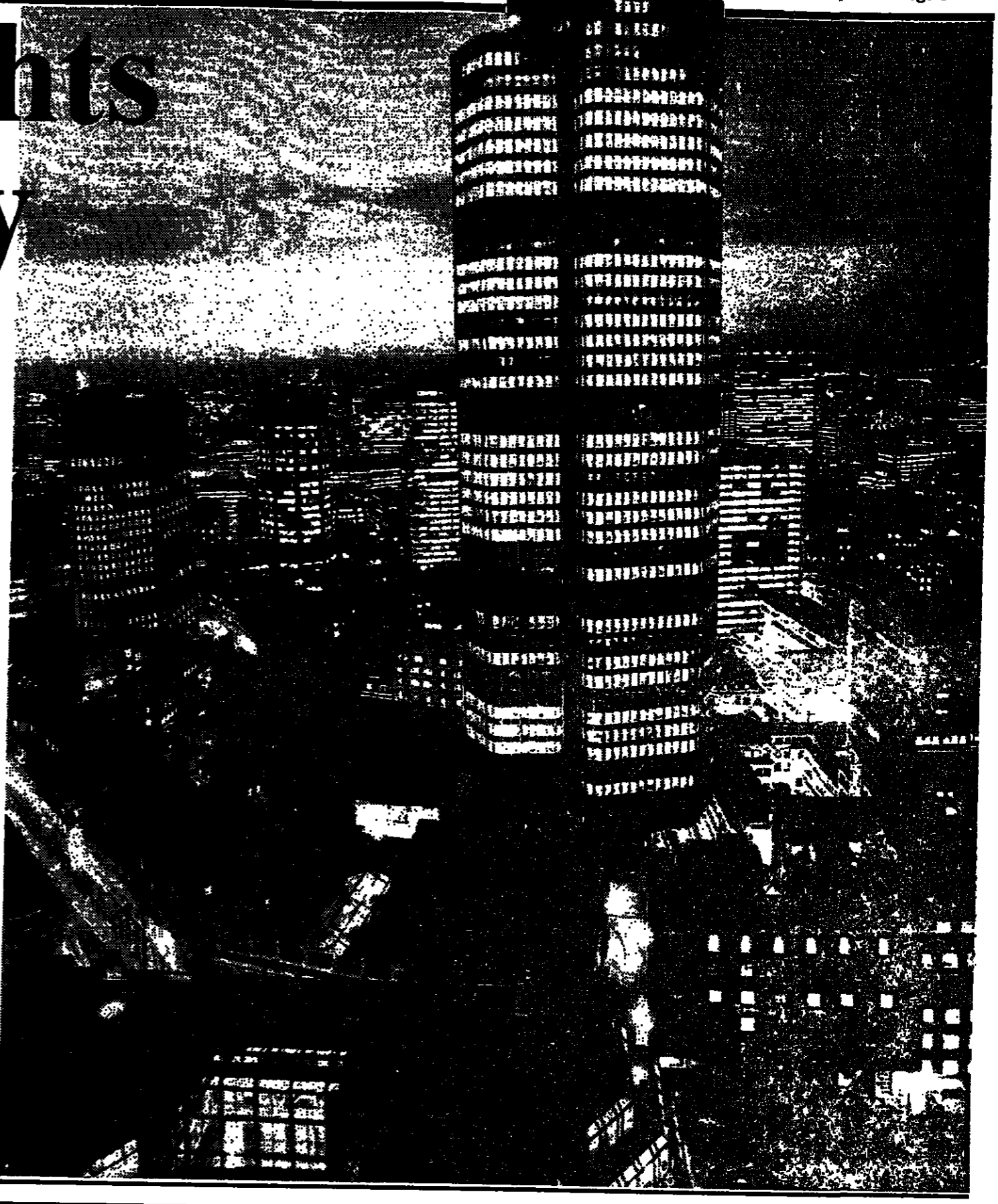
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integrity, the Stock Exchange, though not London, was becoming a backwater. It preferred and protected its domestic business. As a club it kept outsiders out. As a cartel it lived handsomely off agreed stockbrokers' minimum commissions and jobbers' turns. While London demonstrated its skills by becoming the world's leading foreign exchange market and the centre of the huge Euro capital market, the Stock Exchange buried its head in golden sand, delaying the inevitable.

In July 1983, Cecil Parkinson, then Secretary of State for Trade and Industry, and Sir Nicholas Goodison, chairman of the Stock Exchange, agreed that club and cartel should go. They disappeared today, in one Big Bang. Competition is in, and so too are the big American banks and investment houses (though not yet the Japanese and Germans), British banks and London merchant banks.

The Stock Exchange has become The International Stock Exchange. It can no longer afford to live off domestic business. Many of its leading members are now controlled by foreign parents. But as a market London is alive with new talent, new drive, new opportunities. And as a financial centre, the City has always succeeded in blending the ambition and capital of foreigners who come to London conscious of its advantages — geography, language, tolerance, culture, an international outlook and relative cheapness — with the City's own considerable skills.

At the risk of abusing the language, with Big Bang comes the chance of rebirth.



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# An umbrella to protect investors

Professor "Jim" Gower was commissioned by the Government in July 1981 to examine the issue of investor protection in the context of several minor, though nasty, scandals that had occurred in areas outside the jurisdiction of the Stock Exchange.

In particular, the collapse of Norton Warburg had caused political heartburn as well as financial loss among the company's clients.

The White Paper published in January 1985 set itself quite different objectives: to promote efficiency, competitiveness and confidence among users of the market (including issuers of securities as well as investors) and "flexibility" that would guide, but not restrict innovation.

The principles by which these objectives were to be met were to:

- Allow market forces to operate to ensure that the financial services industry meets the needs of its customers;
- Provide a clear legal framework;
- Prevent fraud rather than to detect and punish it;
- Provide a vigorous machinery of enforcement;
- Encourage self-regulation based on the industry's self-interest in maintaining the highest standards of behaviour;
- Ensure equivalence of treat-

ment between competing products and services.

Events had clearly overtaken the original remit given to Professor Gower and had led the Government into byways that were both more ambitious and more complex than the simple task of improving investor protection in the central securities market and in the areas of retail selling of investment products to the public.

The agreement in July 1983 between Cecil Parkinson, then Secretary of State at the Department of Trade and Industry, and Sir Nicholas Goodison, chairman of the Stock Exchange, ensured breakdown of the existing market mechanism of checks and balances. New market instruments such as options and futures and the growth of international competition were helping to change the face of the City.

The problem facing the Government was to devise new ways of controlling and supervising the new and existing markets for the protection of the investing public.

The basic machinery set out in the White Paper for achieving this task would be extensive supervisory and regulatory powers in the hands of the Secretary of State, which he would then delegate to one or more private sector bodies. These in turn could delegate to self-regulatory organizations (SROs), staffed and financed from within the

various sectors of the industry.

A constant thread running through the whole discussion was the dogged determination of the Department of Trade and Industry itself to avoid direct responsibility for the management and policing of the securities industry.

In view of the revealed inadequacies of the department when it had direct jurisdiction under the previous legislation, this was neither surprising nor unwelcome.

The Financial Services Bill was finally laid before Parliament in December 1985. The broad framework of the provisions was the same as indicated in the White Paper.

But by an oddity of the drafting process, the key provision establishing the Securities and Investments Board as the "designated agency" to whom the Secretary of State would delegate his powers was not mentioned until Clause 98 of a lengthy text.

Even then the wording was curiously ambivalent, leaving the hypothetical possibility of one or more such bodies.

The earlier clauses were those debated at the Committee stage of the Bill in an air of unreality: until Clause 98 was reached no one could be sure whether the SIB would actually be there to exercise the functions being discussed.

The sweeping definitions of "investments" and "investment businesses" incorporated in the Bill included all the activities of the securities market and the instruments in which the market trades. Whatever might be the position of certain peripheral or derivative investment products, the Stock Exchange's activities fall firmly within the scope of the legislation.

Those international securities houses who had hoped that the market in international debt securities might be excluded on the grounds that their clientele was largely other professional traders were disappointed.

Any business in any securities conducted from London, no matter where the securities originate or where they are sold, falls within the scope of the legislation.

The basic thrust of the Bill is that no person, company or business can deal in investments in or from the UK unless duly authorized as a fit and proper person. Such authorization can be obtained



On the trading floor: a bright face for the new market

either direct from the SIB or by virtue of membership of one or other of the SROs approved by the SIB.

To trade without authorization will be a criminal offence and will lay the miscreant open to the risk that his counterpart can repudiate the deal and claim restitution.

Every authorized person and business will have to observe the rules of conduct

forced to the letter, will severely hamper the new investment conglomerates recently formed within the Stock Exchange and go a long way towards reversing the new freedom of operating in the dual capacity of agent and principal.

Another feature of the legislation is that the SIB is granted no jurisdiction whatsoever over the important field of setting and administering standards of listing and disclosure by limited companies. This is to remain the duty and prerogative of the Stock Exchange.

The SIB, as proposed, differs in this respect from the American Securities and Exchange Commission. In other respects its remit is much wider, enhancing the full gamut of investment activities, not just dealing in securities.

Apart from lengthy debates on the precise status of the SIB, the main points of contention in the Par-

liamentary debate were the exclusion of Lloyd's (the insurance market) from the Bill and the rules governing the sale of life assurance and unit trusts direct to the public. Neither of these is of material concern to the central securities market which today celebrates its rebirth in the Big Bang.

A legislative issue that does concern the stock market and which excited some controversy in debate was the question of immunity from suit for the various bodies charged with supervising the market.

This sprang from an amendment successfully pressed to give the SIB power to direct changes to SRO rules if it found this necessary.

The spectre was raised particularly by the International Securities Regulatory Organization (ISRO), the body claiming to represent and regulate the international houses operating in London, that no persons of substance

# Lever's last stand

The debates on the Financial Services Bill in Parliament have been lengthy and tortuous. They have, however, been conducted within a framework of a general all-party consensus that legislation to control the financial services industry is needed.

The differences have been over matters of form and detail, many of which have been important, but more of which strike at the root of the legislation.

The spirit of Professor Gower, wreathed in pipe smoke, presided benevolently over the whole debate. Only one legislator, Lord Lever, has dared to question that such a Bill was necessary at all. In a typically robust intervention in the Lords he poured scorn on the popular misconception that the banking community in London is infested with dangerous criminals.

Lord Lever committed the ultimate heresy of poking fun at Professor Gower: "Every page of his report is luminous with his legal skill, immense erudition and good intentions, but the road to a large and ineffective bureaucracy is always paved with perfectionist good intentions."

No other speaker, in the Lords or Commons, could be found to support Lord Lever. Instead they concentrated on trying to improve and

strengthen the legislation.

The most notable contributions to the lengthy debate came from Brian Gould, the chief Opposition spokesman in the Commons, and from Lord Hacking, a cross-bench peer who had evidently enjoyed careful briefing by the Law Society.

Another notable contribution came from Antony Nelson, who successfully staged an ambush from the government back-benches during the Commons Committee stage by insisting on an amendment to Clause 99 (as it then was) naming the SIB as the body to which the Secretary of State's powers must be delegated.

This would have had the effect of giving the SIB statutory recognition, if not the full status of a statutory body as the Opposition parties were demanding.

Ministers at Report stage succeeded in slightly modifying this amendment to the effect that if the Secretary of State is to delegate at all, then initially it can be only to the SIB.

There is also the possibility that should the SIB fail to produce evidence that it is capable of exercising its function, the Secretary of State or Parliament may refuse to make a delegation order at all. This would leave the baby firmly abandoned on the doorstep of the DTI.

# Threat from the left

When the Financial Services Bill became law, the Secretary of State will ask the Office of Fair Trading to vet the SIB's rule book. He will then ask Parliament to approve an order delegating his powers under the Act to the SIB.

This will involve Parliament reviewing the SIB's regulations. Only when this approval has been granted can the SIB proceed to recognize the SROs and other subordinate authorities which will operate under its jurisdiction.

The next stage will be the enrolment and authorizations of the individual investment businesses. There will be bridging provisions to allow existing businesses to continue pending completion of this process and the new

regime is unlikely to come into full effect before the late summer of 1987.

Last anyone should think that will be the end of the matter, Brian Gould, the chief Opposition spokesman, gave a warning at the end of the Commons debates that a Labour government would legislate for three major changes:

1. The SIB to be re-established as a statutory body.
2. The SIB to be given authority over the Take-over Panel.
3. The Act to be amended to bring Lloyd's within the supervisory framework.

Mr Gould claimed that there is substantial City support for these changes. The Government, by resisting them throughout, had missed a golden opportunity.

# A reversal of the new freedom

laid down by the SIB or by the appropriate SRO to which he owes his authorization.

The general content of these rules and the ground they must cover is laid down in the legislation.

The SIB let it be known that the model rules of conduct it would devise would be a strict formulation of the principles of the laws of agency. Basically, all clients who are not demonstrably professionals must be entitled to the highest standards of fiduciary protection and full disclosure of all circumstances of any particular transaction.

Such regulations, if en-

forced to the letter, will severely hamper the new investment conglomerates recently formed within the Stock Exchange and go a long way towards reversing the new freedom of operating in the dual capacity of agent and principal.

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The spectre was raised particularly by the International Securities Regulatory Organization (ISRO), the body claiming to represent and regulate the international houses operating in London, that no persons of substance

would be willing to serve on its ruling committee unless they could be assured that they would be protected from litigation from those they were supposed to control.

Opposition members in the Commons took up this point with enthusiasm and painted a lurid picture of wealthy, powerful institutions ganging up to paralyse their supervisors by threat of legal suits.

# A late change by the Government

for defamation, maladministration and other causes.

The ISRO, whose field of supervision covers the major international houses, was particularly sensitive as many of its prospective members will be the branch offices of US houses, accustomed at home to reaching for their lawyers on the slightest pretext.

In the Lords it was even suggested that the shareholders of an American investment bank which suffered loss as a direct or indirect consequence of administrative or disciplinary action taken by British supervisors could sue their directors if they in turn had failed to take legal action to protect the company.

During the Commons Committee stage the Minister, Michael Howard, resisted the extension of immunity to SROs on the general ground that such protection should not be lightly granted. It was, therefore, something of a surprise when, at Report stage, the Government reversed its position and introduced an amendment granting SROs immunity from legal suit not only on the part of their own members but on that of investors or customers as well.

This concession went well beyond the Opposition's demands and seemed to be a surrender to City interest.

John Hollis

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| 31 Dec '76 | £7,812     | £3,859              | £3,437           |
| 5 June '86 | £67,208    | £21,042             | £8,104           |

NOTES: All figures include reinvested income net of basic-rate tax. The Building Society figures are based on an extra interest account offering 1½% above the average yearly rate (source: Building Societies Association). M&G SECOND GENERAL figures are realisation values.

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Please invest the sum(s) indicated below in the Fund(s) of your choice (minimum investment in each Fund: £1,000) in ACCUMULATION/INCOME units (delete as applicable or Accumulation/Income) at the price ruling on receipt of this application.

DO NOT SEND ANY MONEY. A contract note will be sent to you stating exactly how much you owe and the settlement date. Your certificate will follow shortly.

|                                   |   |     |
|-----------------------------------|---|-----|
| International Income (M&G £1,000) | £ | -00 |
| SECOND (M&G £1,000)               | £ | -00 |
| International Growth (M&G £1,000) | £ | -00 |

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

REGISTRATION NO. 99714 Reg. Office: 20 Abchurch Lane, London EC4A 3DF

FURTHER INFORMATION: On 22nd October 1986 offered prices and estimated gross current yields were:

| Income               | Accumulation | Yield |
|----------------------|--------------|-------|
| International Income | 63.7p        | 5.47% |
| International Growth | 801.6p       | 1.54% |
| SECOND GENERAL       | 752.9p       | 3.40% |

Prices and yields appear daily in the Financial Times. The difference between the offered price (at which you buy units) and the bid price (at which you sell) is normally 6%. An initial charge of 5% is included in the offered price and an annual charge of up to 1% of each Fund's value - currently 34 pence - is deducted from gross income. Income for Accumulation units is reinvested to increase their value and for Income units it is distributed net of basic-rate tax on the following dates:

| International Income                | International Growth | SECOND                         |
|-------------------------------------|----------------------|--------------------------------|
| Distributions                       | 1 June, 1 Dec        | 20 Mar, 20 Sep, 15 Feb, 15 Aug |
| Next distribution for new investors | 1 June 1987          | 20 Mar 1987, 15 Feb 1987       |

You can buy or sell units on any business day. Contracts for purchase or sale will be due for settlement two to three weeks later. Remuneration is payable to accredited agents; rates are available on request. The trustee for International Growth is Barclays Bank Trust Co. Limited and for International Income and SECOND GENERAL is Lloyds Bank Plc. The Funds are all wider range investments and are authorised by the Secretary of State for Trade and Industry.

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In Gilts, Messel Gilts Limited, our primary dealer, offers continuity. They will build on the same sales and research teams as pre-Big Bang. They further offer consistency in prices from a team of traders who draw on Shearson Lehman's Government trading experience. They will be working with the confidence of a back office that will be equipped with systems technology to handle major increases in volume while preserving our full range of agency services.

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We have 32 salesmen to ensure that our trading and research strengths are effectively communicated to our clients.

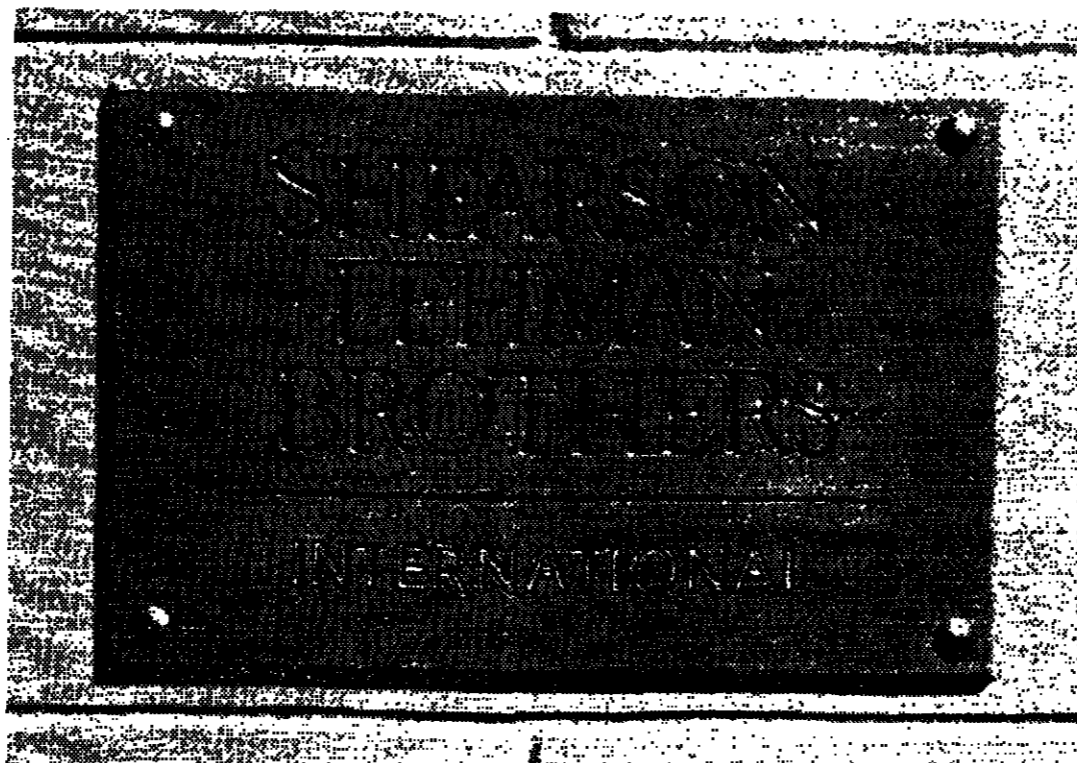
In the U.K. money markets, our activity in sterling FRN, CD and Commercial Paper markets is highlighted by the Allied-Lyons recent sterling commercial paper programmes, the benchmark issue in that market. We have also been appointed dedicated dealer of over £2 billion CD programmes.

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This is Shearson Lehman in the U.K. We invite you to put us to the test.



Messel Gilts Limited: Philip Howard (626 2525) L. Messel & Co. (U.K. Equities): Mark Cannon-Brookes (377 0123)

U.K. Money Markets: Stuart Clenaghan (626 2525)

Commodities: Craig Black (283 8711) U.K. Corporate Finance: William B. Harrison (626 2525)



# The technology that had to come

Computers will keep the London market more competitive in the world than ever before

When the Stock Exchange boffins considered what form share trading would take after Big Bang they were struck by a simple but far-reaching thought. "It was the realization that the only markets with trading floors are those which were founded before the invention of the telephone," said George Hayter, divisional director of the exchange's information services.

The post-Big Bang Stock Exchange has been born in the age of the desk-top computer and inter-active communications systems that allow trading between any two dealers connected by a communication line, wherever they are.

Although the trading floor will continue after October 27, there will in theory be no need for broker/dealers and market makers (the two main categories of players after Big



Jobber on-line: there may be no need now to visit the Stock Exchange

with a system that would keep the London market competitive in a world where technology has shrunk geographical distance and markets in different time zones compete.

British broking firms were increasingly trading foreign shares with each other over the telephone, while overseas a number of blue chip British stocks were changing hands between foreign brokers, often with dealing costs lower than those charged in London.

Broadly speaking there were four choices: a continuation of the separate broking and jobbing system; the "specialist" system used on the New York Stock Exchange; an order-driven bargain-matching system of the type used on the Toronto Stock Exchange; and the one that was eventually chosen. This is a screen-based system in the style of NASDAQ - America's National Association of Securities Dealers Automatic Quotation System - used in the screen-only Over The Counter market.

The advantages of the competing market maker choice were summed up in a report on the new dealing

system, sent by the Strategic Planning Group to the Council of the Stock Exchange in July 1984, as follows:

● "It is a quote driven system and as such is the nearest of the various alternatives suggested to the present jobbing system.

● "It recognizes and embraces the efficiency that computer technology can bring to a dealing environment.

● "It has the advantage of placing all members on an equal basis irrespective of geographical location and would thus extend the commercial opportunities of firms throughout the country.

● "It would accommodate without difficulty many more members (including those who wished to be located in different time zones) and would enable the Stock Exchange to expand and Britain to capitalize on its time zone advantage. It lends itself readily to the concept of a 24-hour international market.

Once the system was decided, the buck was passed to Mick Newman, head of information and trading systems at the Stock Exchange, to come up with the technical wherewithal to let it operate.

The task was daunting - to develop, in just over two years, a sophisticated, but low risk, trading system that could cope with the expanding volumes of one of the world's busiest stock markets. Slip-page time for contingencies was just two weeks.

As Mr Newman drew the first sketches of how SEAO might be constructed, the most obvious option was immediately ruled out - the direct importation of the NASDAQ system.

"We worked very closely with NASDAQ in the early stages and they were extremely helpful. But they didn't have the resources to export their technology or send a technical team over here," he said.

In any case, a NASDAQ system would have had to be customized for the Stock Exchange because shares here trade in a variety of currencies - sterling, Irish punts and dollars among them - while NASD business is conducted solely in dollars.

Mr Newman did have a head start in other areas, principally the existence of the TOPIC colour price display and information system which

distributed prices and company news around the City and across Britain through Videotex terminals. Apart from Topic, SEAO has also dovetailed with Epic, the Exchange's existing price generating system, and uses the same type of DEC VAX computers.

As SEAO started to take shape, Mr Newman and his team found themselves becoming victims of their own success. "We set out a detailed plan for a simple low-risk SEAO system to carry 100 or 200 leading equities. After the initial design review we became more confident and with larger computers we committed ourselves to covering up to 3,500 securities," said Mr Hayter.

Other demands started to crop up. As new rules on investor protection came under public discussion, there was also a need to ensure that the trades executed in SEAO shares were recorded and displayed quickly and visibly.

And as the leading Stock Exchange members merged, merged and grouped for Big Bang, it became obvious that an increasing number of leading market makers were abandoning the trading floor, partly or completely, and heading for the dealing room where they would make greater demands on SEAO.

The scale of the system that Mr Newman and his team have come up with (see box for description of how it will work) in two years is breathtaking. SEAO's development

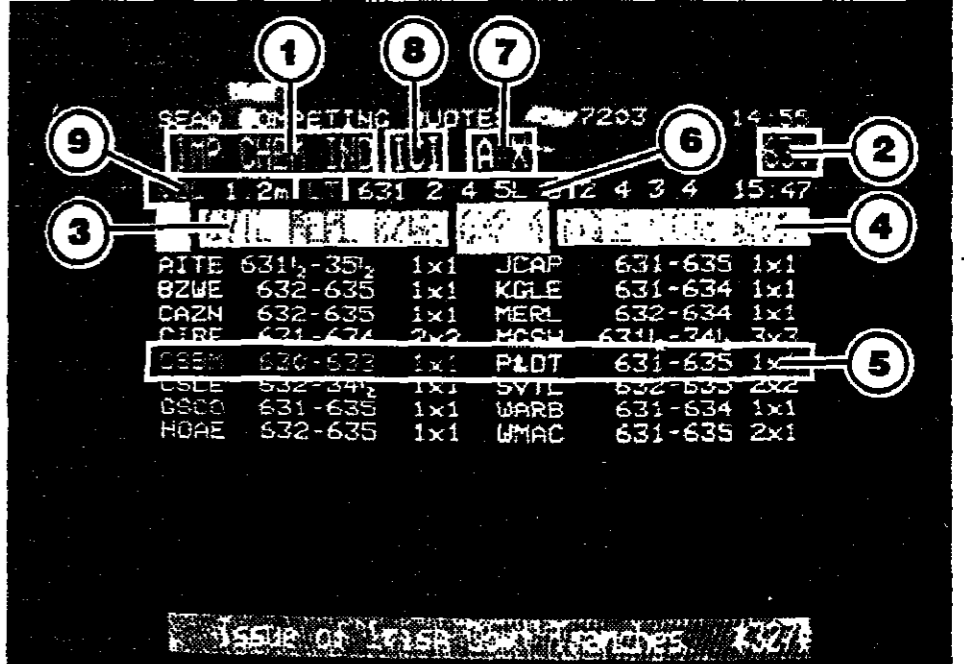
## Greater demands on SEAO

has cost about £18 million, a figure that includes £11 million for new technical headquarters.

It will serve, in full colour, almost 10,000 screens - of which 95 per cent will be tuned in at peak times - with a range of price information on almost 3,500 securities.

But if Mr Newman, a model of modesty, is inclined to boast, it is not about SEAO's attributes, but rather that the system has been developed on time, within budget, and can do rather more than was envisaged on the drawing board. All it needs now is to prove itself in action.

Richard Lander



## Quick guide to new system

From today, SEAO - the Stock Exchange Automated Quotations system - takes to the air as the electronic market-place of the London stock market.

The Stock Exchange's 64 market-makers will provide information on the stocks they have registered in, which will tell other market-makers, broker/dealers and investors how many shares they are prepared to bid for and offer, and at what price.

The amount of information input and displayed on SEAO screens will vary according to the three types of share. Stocks have been classified into alpha, beta and gamma stocks according to the number of market-makers registered in each share.

On average, alpha stocks have 16 market-makers, beta stocks have nine and gamma stocks three.

Business done in the 62 most actively traded equities - alpha stocks - will have to be reported immediately to SEAO by market-makers, allowing the screen to show the last five trades and the day's running volume. A highlighted strip on the screen shows which three firms are making the keenest bid and offer prices.

The service for the 517 beta stocks will display similar information. Trades in these shares will not be published immediately, so the volume figure and last trades are absent.

The bid/offer prices and volumes keyed in by the market-makers for alpha and beta stocks both have to be firm - in other words, a broker, or large investor, can call the market-

maker and demand to deal up to the volume stated at the price on the screen. Prices for larger blocks are subject to negotiation.

The rules for gamma stocks - of which there are 3,000 - are less stringent. Although market-makers will still have to quote continuous prices, these may be indicative rather than firm.

This full service - known as the "Level 2 Competing Quotation Service" - is intended for broker/dealers and large institutional investors who have sufficient standing to contact market-makers direct.

A simpler Level 1 service, aimed at other investors, provides a single best bid and ask quote for alpha and beta stocks, along with last trade and volume information for the alphas.

SEAO also provides a "ticker" system for alpha stocks which displays each individual deal reported by market-makers as it happens. The electronic ticker, for example, would be able to show a SEAO recipient that a block of 500,000 ICI shares were traded at 11.20am at 1100p a share.

SEAO does not incorporate a dealing system, but the Stock Exchange plans next year to introduce SAEF - the SEAO Automated Execution Facility. This will allow firms to enter small buy and sell orders for small blocks of shares which will then be matched and executed automatically at the best available price. It may eventually be extended to larger transactions.

Richard Lander

## NASDAQ system was ruled out

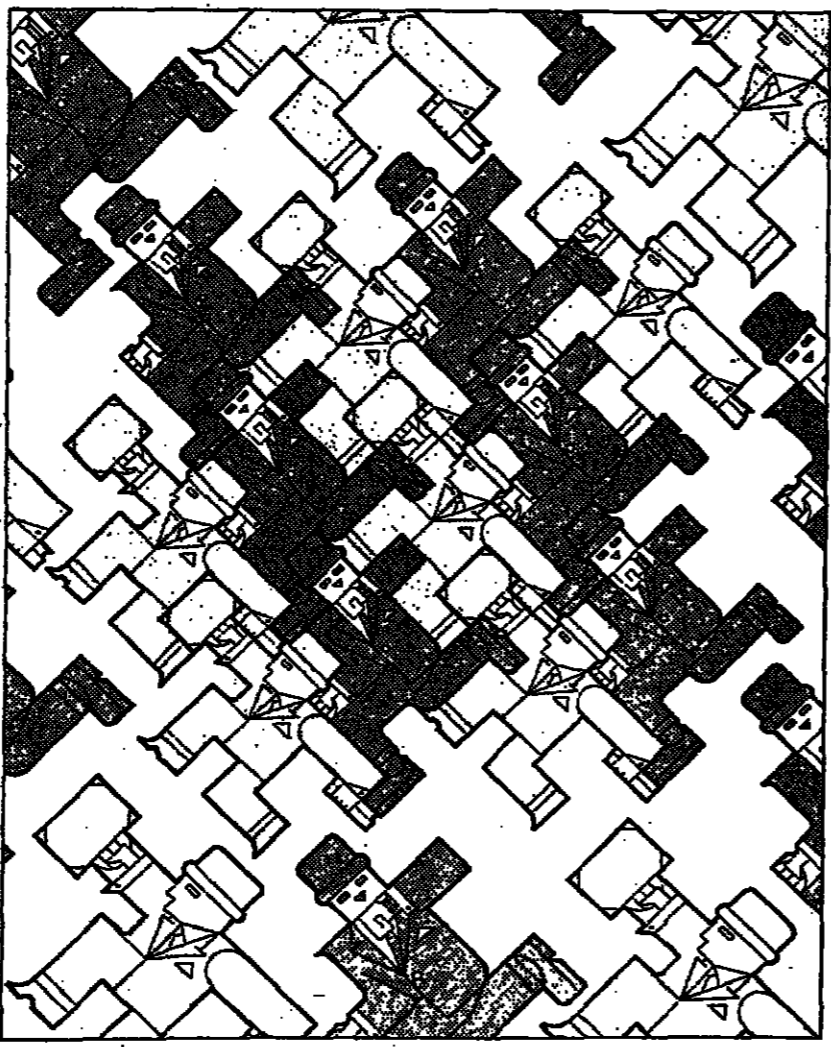
Bang) to visit the Stock Exchange building.

All they will need is SEAO, to provide information on bid and offer prices and trades, and a telephone to call another trader to execute the deal. In time, dealers will be able to use SEAO to execute some of their trades.

But despite its capabilities, SEAO has been developed in response to the needs of the new model Stock Exchange rather than vice versa.

In other words, technology has followed and been shaped by the form of the market, the reverse of the foreign exchange markets, whose nature has been changed dramatically by the development of modern price display and communication systems.

The task that faced the Stock Exchange in 1983, after the agreement with the Government to scrap fixed commissions, was to come up



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For some time we have been developing an in-house department, specialising in the intricacies of commercial property investment finance and funding.

Which, in combination with over 100 years' experience in the property market, our extensive network of offices and our comprehensive range of services, gives us the ability to provide you with a balanced, objective overview.

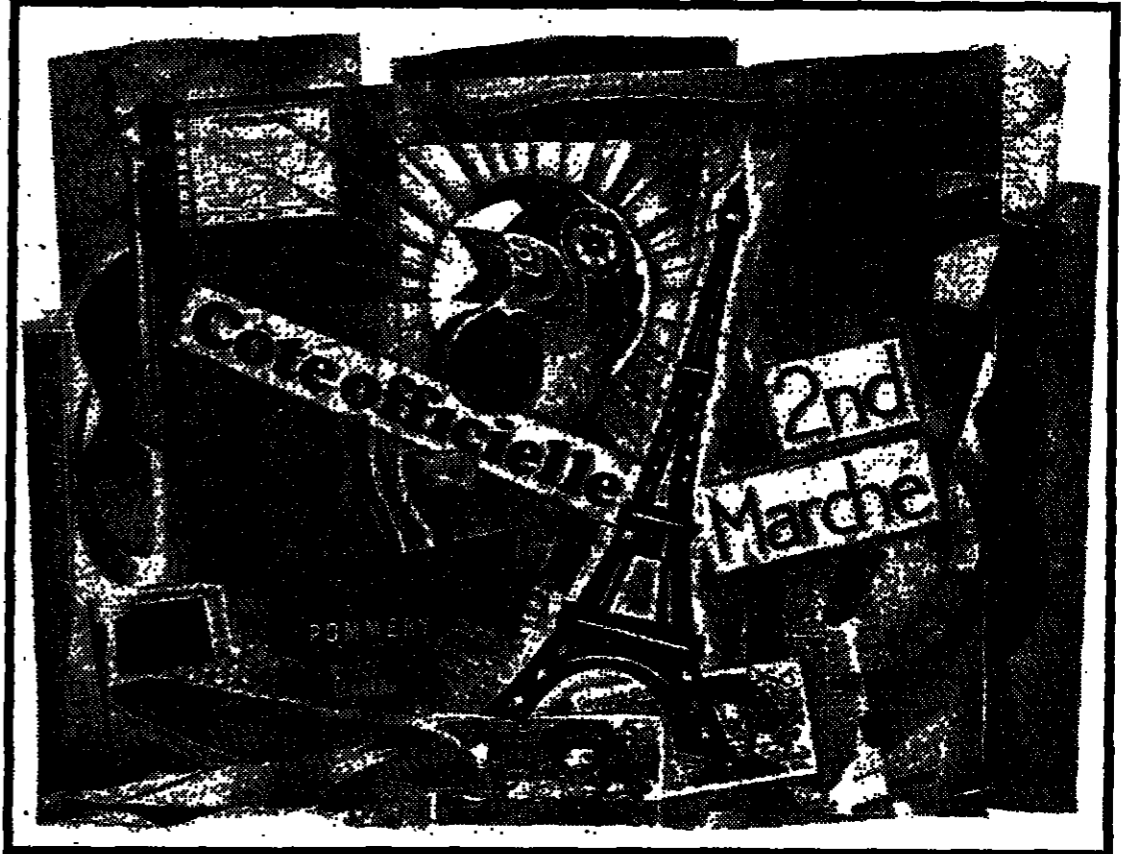
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## INVEST IN A FRENCH MASTERPIECE



## THE NEW EBC AMRO FRENCH GROWTH TRUST

There's been a lot of good news recently about investment opportunities in France. It's not hard to see why. The Paris Stock Exchange Index has risen by over 150% (weighted for sterling) in the last twelve months, and there are very good reasons why it should go on rising.

Economic growth is anticipated at 3% a year, but, more importantly, corporate profits are expected to grow at 30% this year and next.

And the new government under Jacques Chirac is committed to wider share ownership through a programme of privatisation similar to the one in the UK that has had such a dramatic effect upon the London stock market.

So the time is right to invest in France. The best way to invest in the past a year has been open for the UK private investor to know how to invest exclusively in the French stock market.

But now there's the EBC Amro French Growth Trust. EBC Amro has considerable experience of the French market through its European involvement.

Even so, we'd like what any sensible investor would do, we talked to the French investment experts at the highly respected Banque Paribas de Gestion Financiere (BPGF) in Paris.

INVESTMENT CONSIDERATIONS. These are what we've approved BPGF investment managers to the Trust because they have such a remarkable record for managing investments.

For example, their own in-house fund, invested exclusively in French securities, has risen by over 260% since December 1979 and weighted for sterling in all, they are responsible for over £460 million in over 20 in-house funds of various kinds. They are extremely active in the bond market, in finance for French industry and in the privatisation programme.

We believe their in-depth expertise will enable the EBC Amro French Growth Trust to achieve above average capital growth from a portfolio of French securities.

Fixed Price Offer. Units will be offered at a 1% discount on a fixed price of 50p per unit until 31st November, 1986.

HOW TO INVEST. Complete the application form and send it, together with your cheque covering the EBC Amro French Growth Trust, to: EBC Amro French Growth Trust, Administration Company Limited, FREEPOST, Manchester M2 8BL (no stamp required).

If you don't have £500 immediately available, send for details of EBC Amro's Monthly Savings Plan by ticking the appropriate box in the coupon.

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Remember that the price of units and the income from them can go down as well as up.

GENERAL INFORMATION. Contact notes will usually be sent by return of post. You will receive a Unit Certificate within six weeks of receipt of your cheque.

An initial charge of 5% is included in the price of the unit, and an annual charge of 1.25% (+ VAT) of the value of the fund is deducted from the fund's income. Prices are quoted daily in The Financial Times.

Estimated gross coupon yield is 1.5% at the launch price of 50p per unit. Managers' reports on the fund will be issued by 1st November each year. Income will also be distributed annually net of basic rate tax by 1st November. Trustees: Midland Bank, Trust Company Limited (not open to residents in the Republic of Ireland) a member of the Unit Trust Association. Remuneration is payable to qualified intermediaries and the rates are available on request.

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(Some applicants must sign and attach names and addresses separately.) 12/7/10

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Lazard Brothers & Co., Limited  
has placed 8,759,030 new ordinary  
stock units of Vickers in  
connection with the proposed  
acquisition by Vickers of  
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Lazard Brothers & Co., Limited London

**Burroughs Corporation  
has acquired  
Sperry Corporation**

The undersigned acted as  
financial advisers to  
Burroughs Corporation  
in this transaction.

Lazard Frères & Co. New York

**Siebe plc  
has agreed to acquire  
Robertshaw Controls Company**

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initiated this transaction, acted  
as financial advisers to Siebe and  
dealer manager for the tender  
offer in the United States.  
Lazard Brothers jointly underwrote  
31,220,913 new Siebe shares  
in London to finance  
the acquisition.

Lazard Frères & Co. New York  
Lazard Brothers & Co., Ltd. London

**General Instrument Corporation  
has acquired the  
Cable/Home Communication  
Corp.  
a subsidiary of  
M/A-COM, Inc.**

The undersigned acted as  
financial advisers to  
General Instrument Corporation  
in this transaction.

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**BSN  
has acquired a controlling interest in  
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FOCUS CITY REVOLUTION/4

Excitement in the air - the crush as Telecom trading started



After Day 1: how the market will treat private clients

Conventional wisdom has three main themes. The first is that the Government is dedicated to the broadening of public share ownership. Second, the deregulation of stockbrokers' commissions will tend to favour large institutional dealers who have the market muscle to negotiate concessionary rates and the expertise to take on the market-makers face to face as principals. Third, many brokers, seeing a potential erosion of profitability in their institutional business, are looking to foster private clients' business as a more reliable and profitable source of income.

panopoly of protection. The latest draft of the board's rules introduces three more special categories to which the full procedure need not apply. These are: Experienced investors who have demonstrated their knowledge and experience of one or more particular types of investment by having managed their own investments over a period of a year or more and have thereby shown themselves to be acquainted with the risks involved. These could include assiduous savers and regular small-time punters. Occasional customers include those who approach a firm infrequently with a specific objective in mind but in so doing request advice as well as execution. Neither party has reason to anticipate a continuing relationship. An example might be an executor or administrator of a deceased estate.

Interestingly, private clients as a whole had enjoyed an across-the-board fall in their effective commissions but this was because they had moved up the scale to deal in larger amounts. The real small investors were being sieved out. In the US, although not yet in Canada, the trend has been mitigated by the growth of discount boutiques, which offer an execution-only service to allcomers with no frills like investment advice. This is a natural development of the traditional US system, in which the big brokers, characterized as "wire houses", have chains of retail offices in all major cities where customers with nothing better to do can sit and watch the ticker-tape, chatting to their account executives. Historically, this style of doing business sprang from America's geographical position, but the Japanese have shown that it can be applied in other conditions. Nomura

Protection from a poor service Securities, for example, employs a multitude of door-to-door salesmen and women peddling investment schemes and individual stocks throughout the country. So far, in Britain, attempts to develop such a retail base have been halfhearted at best. A few London brokers - Heseltine Moss, Vivian Gray, Laing & Cruickshank - have opened provincial offices, for the most part in the south and west of England. In the north, Hanson & Co, with headquarters in Doncaster, and Stancliffe Ltd, based in Middlesbrough, have regional networks but no one firm has gone national. Other "country" brokers, whose dependence on private clients is typically greater than the leading London firms, have formed federations of like-minded firms. The first, Allied Provincial Securities, has brought together eight firms based in Scotland, Bristol, Birmingham, Manchester, Nottingham, Plymouth and the North-East. James Capel, the London broker and Postel, one of the biggest public-sector pension funds, each owns 20 per cent of the holding company. James Capel will make its research available to its country associates and no doubt experts also to see a share of their business on a joint agency basis. Through James Capel's overseas connections and those of its parent, Hongkong & Shanghai Bank, the five country brokers in the federation will have a line to overseas markets that they could not achieve easily on their own. Members of the group will be represented in 14 towns outside London.

Little knowledge of SE investment sales of shares in nationalized industries. Originally these were conceived for reasons of official monetary policy and public finance. Later, Conservative ministers increasingly saw them as a means of building up a huge electoral constituency, dedicated to keep them in office as the natural defenders of the new shareholders' personal interests. One result is that many people have become shareholders with little understanding of the true purpose and rationale of Stock Exchange investment. Either they are looking to make a quick buck betting on a near-certainty, or they become passive long-term shareholders in a single company who have little idea of how to seek or obtain better investment opportunities elsewhere. British Telecom in the eyes of most of its small shareholders is an alternative to a deposit account at a building society, not an alternative to Tesco, Marks & Spencer or ICI. The Government has designed a new regulatory structure based on the Financial Services Bill. Small private investors and savers are to be fully informed, and protected, not from their own foolishness but from negligence, poor service and, in the extreme case, exploitation by those handling investment business for them. Within the stock market, pressure from investment professionals to prevent the new regulations impeding their big business is already tending to weaken the protection of small investors. As an example, the Bill and the first draft of the Securities and Investments Board regulations from the start, identified "professional" and "business" investors as classes which did not require the full

panopoly of protection. The latest draft of the board's rules introduces three more special categories to which the full procedure need not apply. These are: Experienced investors who have demonstrated their knowledge and experience of one or more particular types of investment by having managed their own investments over a period of a year or more and have thereby shown themselves to be acquainted with the risks involved. These could include assiduous savers and regular small-time punters. Occasional customers include those who approach a firm infrequently with a specific objective in mind but in so doing request advice as well as execution. Neither party has reason to anticipate a continuing relationship. An example might be an executor or administrator of a deceased estate. Execution-only customers are those who approach the firm on their own accord for execution of a specific transaction but do not seek advice. They are entitled to best execution only, but not to the full fiduciary status of a client. Such a person introduced by a sub-agent (an independent life assurance representative) may be a full client of the agent but an "execution-only customer" of the principal. Another type of "execution-only customer" is defined as an investment business in the same field seeking to do a deal, although it is hard to see why such a person or firm is not covered by the "professional investor" category. Not much integrity would be necessary to squeeze most

A challenge to banks One piece of the jigsaw is not yet in place. The Government has said that building societies, through subsidiaries, will be allowed to be managers of personal equity plans (PEP). The Building Societies Act also gives them the option of offering other forms of share dealing and investment services. Like the banks, they already have in place extensive branch office networks: some of them will be tempted to challenge the banks in this field as they have in others. For solicitors and accountants who are also an important source of business for private investors, the situation is complicated by the new regulatory regime. The Financial Services Bill envisages that they should be allowed to offer investment services incidental to their main activity, provided their governing professional bodies obtain recognition from the Securities and Investments Board as Recognized Professional Bodies (RPBs). This status places on them obligations and restrictions

Other "country" brokers, whose dependence on private clients is typically greater than the leading London firms, have formed federations of like-minded firms. The first, Allied Provincial Securities, has brought together eight firms based in Scotland, Bristol, Birmingham, Manchester, Nottingham, Plymouth and the North-East. James Capel, the London broker and Postel, one of the biggest public-sector pension funds, each owns 20 per cent of the holding company. James Capel will make its research available to its country associates and no doubt experts also to see a share of their business on a joint agency basis. Through James Capel's overseas connections and those of its parent, Hongkong & Shanghai Bank, the five country brokers in the federation will have a line to overseas markets that they could not achieve easily on their own. Members of the group will be represented in 14 towns outside London.

Outside the City: Liverpool stockbrokers prepare for Big Bang

A challenge to banks One piece of the jigsaw is not yet in place. The Government has said that building societies, through subsidiaries, will be allowed to be managers of personal equity plans (PEP). The Building Societies Act also gives them the option of offering other forms of share dealing and investment services. Like the banks, they already have in place extensive branch office networks: some of them will be tempted to challenge the banks in this field as they have in others. For solicitors and accountants who are also an important source of business for private investors, the situation is complicated by the new regulatory regime. The Financial Services Bill envisages that they should be allowed to offer investment services incidental to their main activity, provided their governing professional bodies obtain recognition from the Securities and Investments Board as Recognized Professional Bodies (RPBs). This status places on them obligations and restrictions

Other "country" brokers, whose dependence on private clients is typically greater than the leading London firms, have formed federations of like-minded firms. The first, Allied Provincial Securities, has brought together eight firms based in Scotland, Bristol, Birmingham, Manchester, Nottingham, Plymouth and the North-East. James Capel, the London broker and Postel, one of the biggest public-sector pension funds, each owns 20 per cent of the holding company. James Capel will make its research available to its country associates and no doubt experts also to see a share of their business on a joint agency basis. Through James Capel's overseas connections and those of its parent, Hongkong & Shanghai Bank, the five country brokers in the federation will have a line to overseas markets that they could not achieve easily on their own. Members of the group will be represented in 14 towns outside London.

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FOCUS

The new players - and the way they line up

Among the most revolutionary of changes in the run-up to Big Bang has been the formation of new alliances of all kinds. Firms which have coexisted in the City for years doing their own separate businesses now find themselves working together often under the same roof.

New corporate groupings of financial conglomerates have emerged, such as Barclay de Zoete Wedd, which can provide a one-stop service for investors, offering a wide range of services ranging from broking, market-making, investment management, investment and clearing banking services.

Others, like Lloyds Bank, have deliberately avoided the formation of a financial conglomerate preferring instead to bring in specialist skills by hiring people rather than buying companies.

A third category of the new breed of corporate bodies, comprises the groupings formed by the arrival of overseas groups taking advantage of the new freedoms in a deregulated City. The US giant, Citicorp, for example, bought itself one of the biggest and most-respected stockbrokers in London and a discount house. ANZ Merchant Bank bought a broker, while Security Pacific of California did nothing because it formed its links with a London broker long ago. Very few have, like Lazards, done little to reposition themselves for the post Big Bang era.

Our chart sets out the details of the new players and their alliances.



Country gentleman at the head of the thundering herd

Stanislas Yassukovich, as chairman of Merrill Lynch Europe and the Middle East, is head of one of the most important Big Bang players. He has, however, been in the driving seat at the Thundering Herd, as Merrill is popularly known, only since June last year. He was appointed from a long background in the Euromarkets. In 1973 he left White Weld, where he was managing director of the London office, to found the European Banking Company, a consortium bank specializing in the Euromarkets. EBC grew and prospered under Mr Yassukovich's direction. However, the company's very success became a problem with the advent of Big Bang, as the seven shareholding banks found they wanted to compete with each other and with EBC. The future for EBC looked like being curtailed. Mr Yassukovich saw the solution as a buy-out by a large group like Merrill - a frequent answer to the problem of consortium banks that grow too big. Instead of buying EBC, Merrill hired Mr Yassukovich. Though he works for a thoroughly American firm, Mr Yassukovich has a very cosmopolitan background. Son of a White Russian army officer, he was born in Paris in 1935 and educated in America, whose citizenship he now bears. Yet in many ways Mr Yassukovich, apart from the American accent, is now a typical English country gentleman, with a home in Gloucestershire and a passion for polo. Many of the private clients Merrill Lynch wants to attract - those with a lot of money - are met on the polo field.

Though eager for Merrill Lynch to prosper in the new world after Big Bang, Mr Yassukovich can be critical of some of the developments that have and are taking place. He has questioned whether the City of London has been wise to adopt Wall Street as its model, raising doubts that it fits the contemporary British scene. He points out that the modern American investment bank is the culmination of evolution over decades. Such evolution has led to broad private individual share ownership and the creation of a community of investors served directly from a vast network of distribution points. Mr Yassukovich is sceptical about the creation of such a share-owning community in Britain. Wider share ownership, he says, will be achieved only with major tax reform and a massive education programme. He also questions whether the new British-style conglomerate will be sustained by the British market alone. He believes that until Europe becomes an integrated market-place, it must be doubtful whether the new conglomerates can find the same economic rationale as their American counterparts. Mr Yassukovich has publicly stated that in the new reformed City, the pressure will make traditional self-regulation almost impossible. We then may end up with the worst of both worlds: a self-regulatory system which lacks credibility and an officially imposed structure which does not provide for total clear enforcement procedures.

Was London wise to use Wall Street as its model?

Alison Eadie

High-flyer Capel goes solo

Peter Quinnen and the stock-broking firm he heads are high-flyers. At the age of 41, the Oxford law graduate and chartered accountant is chairman and chief executive of James Capel and is leading his 1,250 employee business into the post-Big Bang era with a twofold reputation. Time after time Capel tops the polls among professional investors for the quality of its research services and has prospered mightily on the back of it, carving out a 7 per cent share of domestic equity business. Capel is also known for its independence of spirit. Alone of London's biggest stockbroking firms, Capel has decided to pass up one of the fundamental freedoms of the new de-regulated City, that of becoming an equity market-maker as well as processing its clients' trades on an old-fashioned agency basis. Mr Quinnen says that his firm took a different view from the rest when what is now known as "Little Bang" took place a couple of years ago. Stock Exchange member firms were allowed to create dual capacity operations called international dealers to trade in overseas but not domestic stocks. He says: "We were the only big broker that didn't. We maintained a largely agency stance then. Our clients said that they dealt with us because they liked our research and our impartial advice and they did not mind paying us a commission to handle their business."

recommendations were being tailored to suit the position of market-makers in the same firm. Mr Quinnen says: "We believe that that is increasingly going to be the case and we cannot see any way that it won't undermine the quality of research. If we avoid that our key ability, namely high quality research, will be strengthened." In the last few weeks before de-regulation, a growing number of institutions were talking of doing the bulk of their business through agents until they learnt to cope with the complexities of the new dealing systems. Mr Quinnen thinks they may well get a better service

that way. He says: "We are finding that the market-makers we believe will make a success of it are all taking great pains to be in touch with us. We have 200 direct lines coming in to our agency-dealing operation at their expense and at their request." Each of our 18 sectors will have a senior dealer and an assistant with a bank of lines into the 10 top market-makers in that sector. That put us in a stronger position to know what is going on around the market than any of our clients are likely to be, and should enhance our position. "Our clients' screens will not tell them everything they need to know."

Capel has access to all the capital it needs since becoming part of one of the world's biggest banking groups, Hongkong and Shanghai Banking Corporation. Yet only in cases where a favoured client wants to do a deal too big for a single market-maker will it offer the backing of its own resources. It has set up what it calls a client-facilitation department to handle these large block trades. Mr Quinnen is relaxed about the future post-Big Bang. He says that the biggest single London market, the Eurosecurities market, is not affected being de-regulated already as are international equity and bond markets. "In our terms, Big Bang affects just UK equities and UK Gilts which are around 30 per cent of our business. We expect rationalization. The institutions want to see a high quality research effort from perhaps a smaller number of brokers."

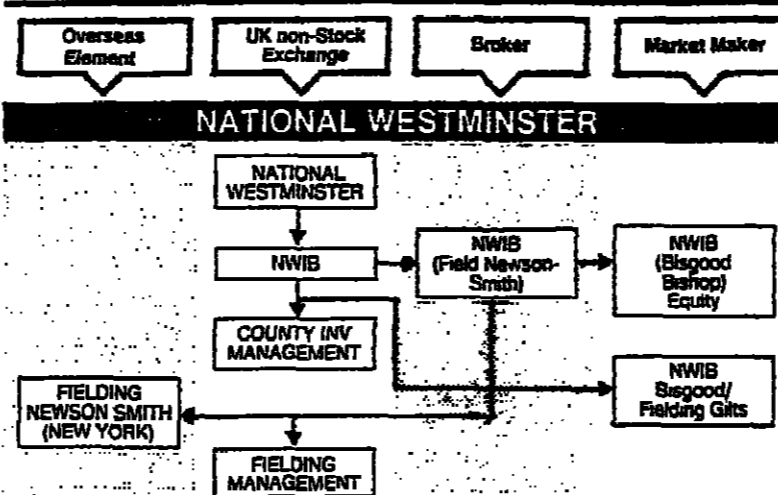
"At Capel's," he says, "we shall continue as a broadly-based international securities house building up especially in the Japanese area while hopefully retaining our position as market-leader in those areas where we already hold that position."

John Bell

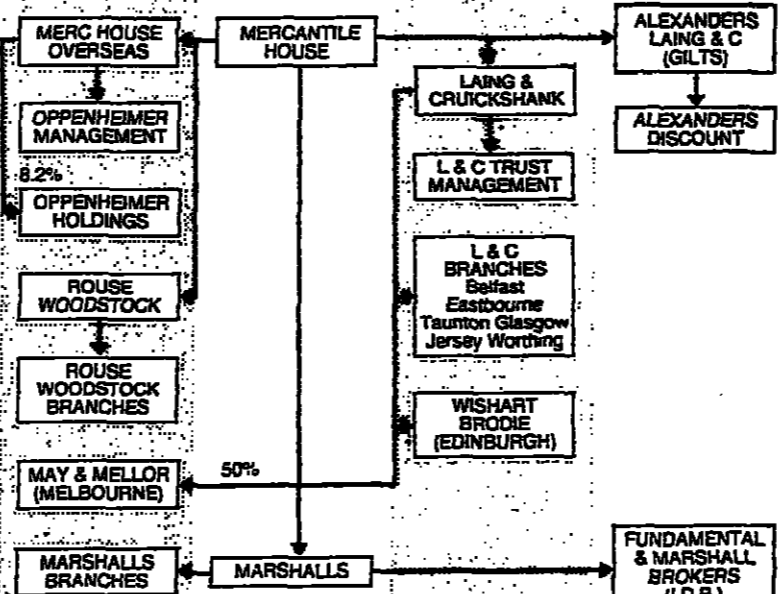


Capel's City headquarters

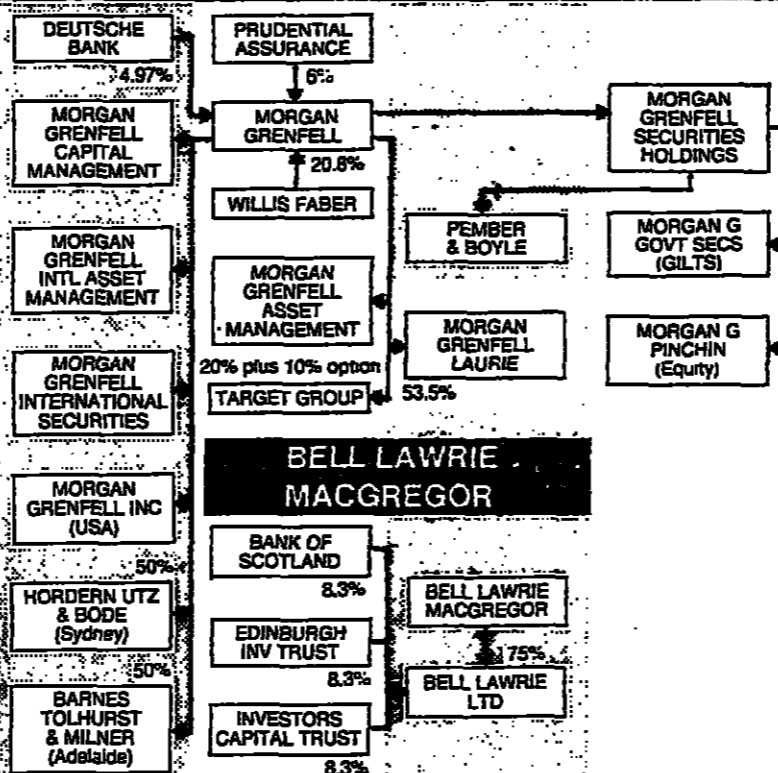
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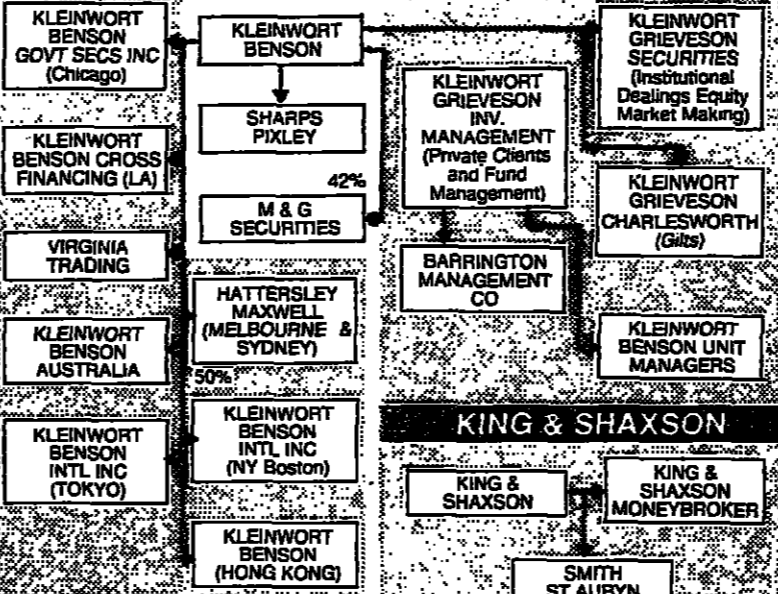
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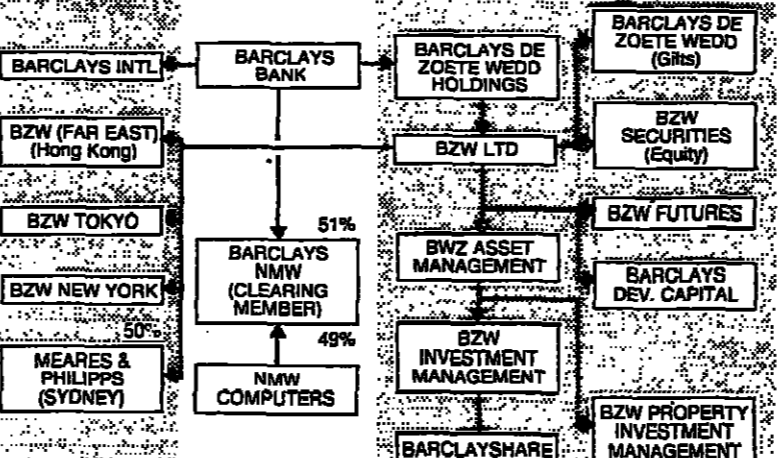
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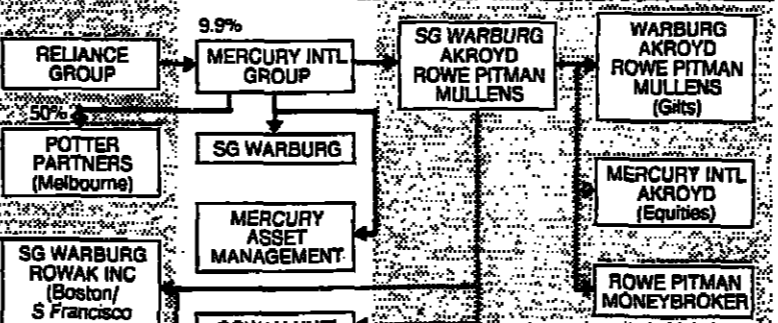
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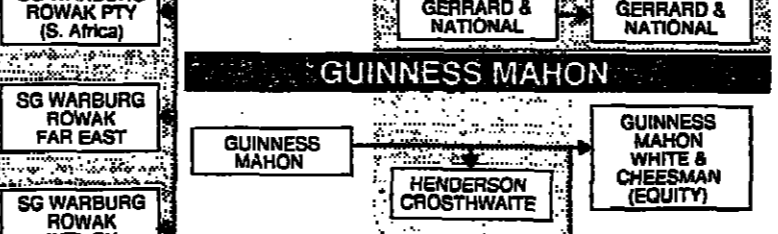
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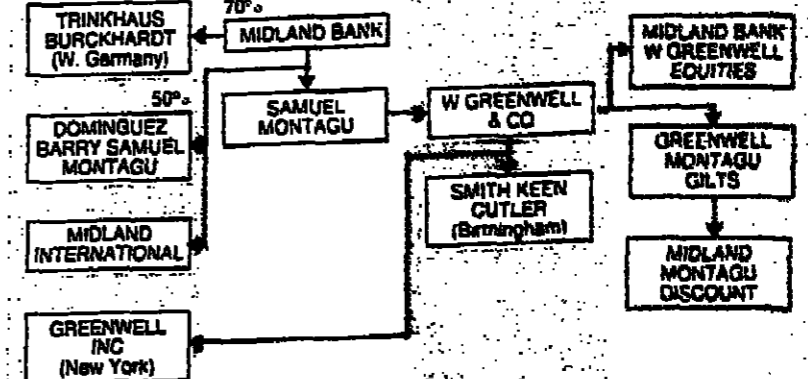
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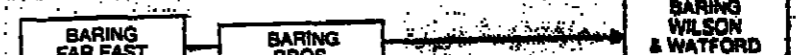
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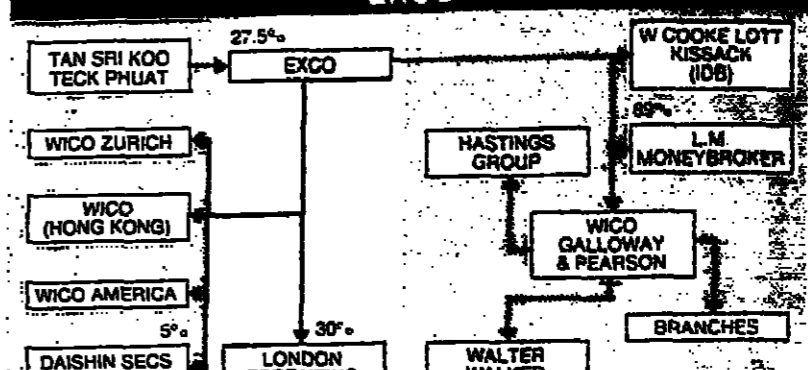
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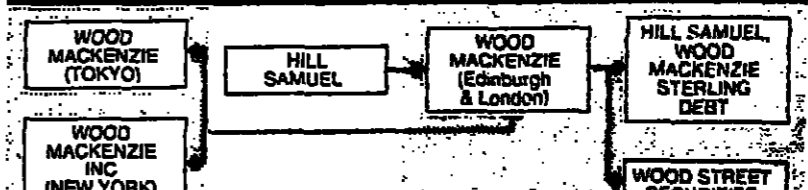
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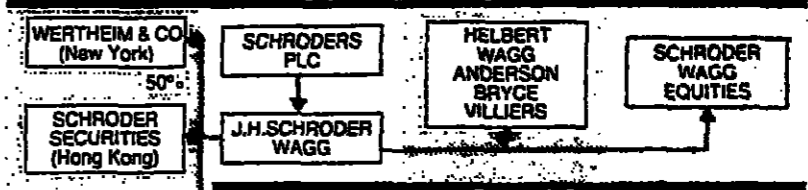
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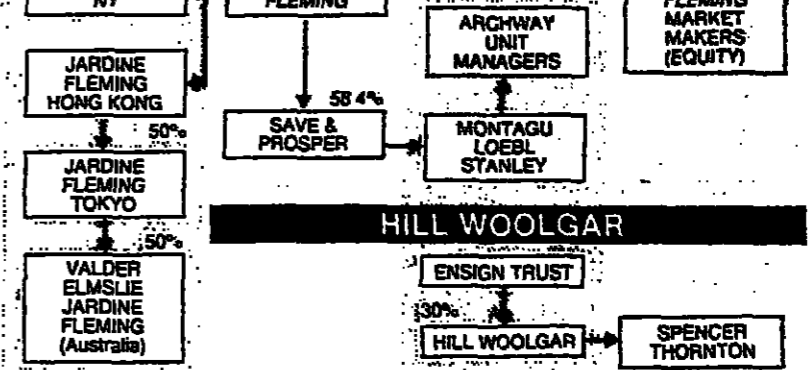
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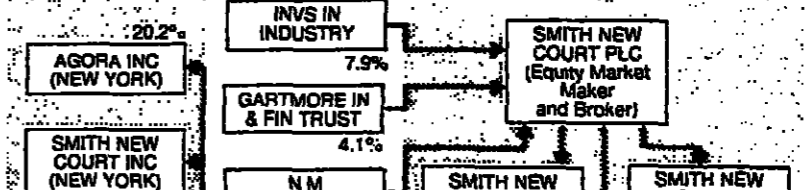
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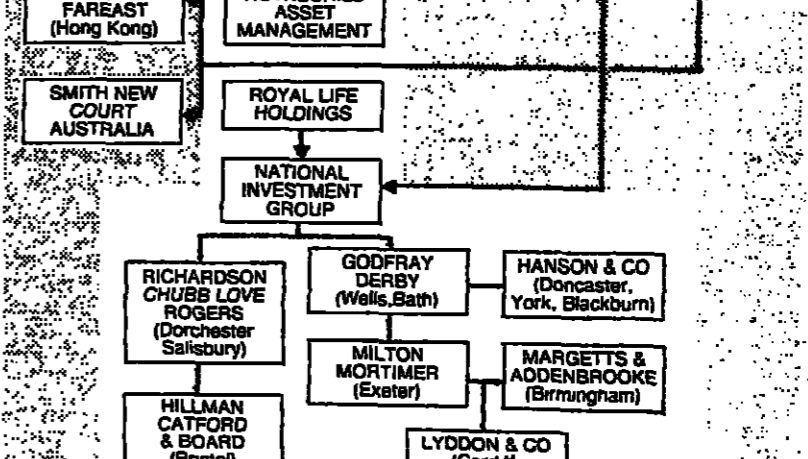
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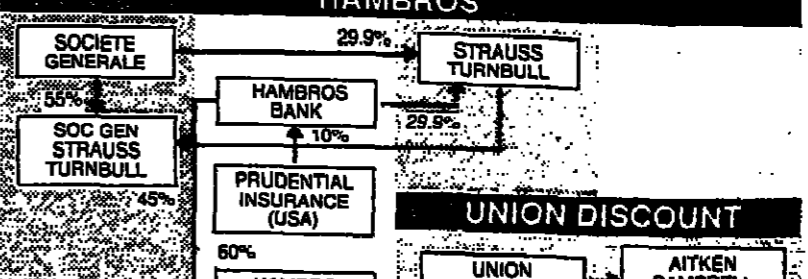
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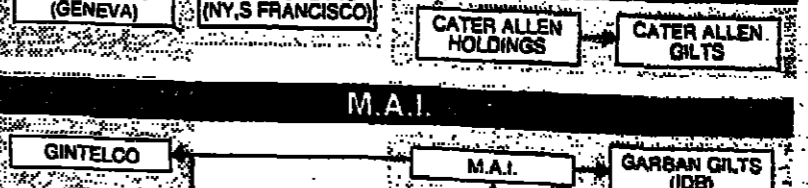
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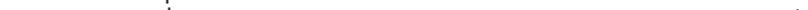
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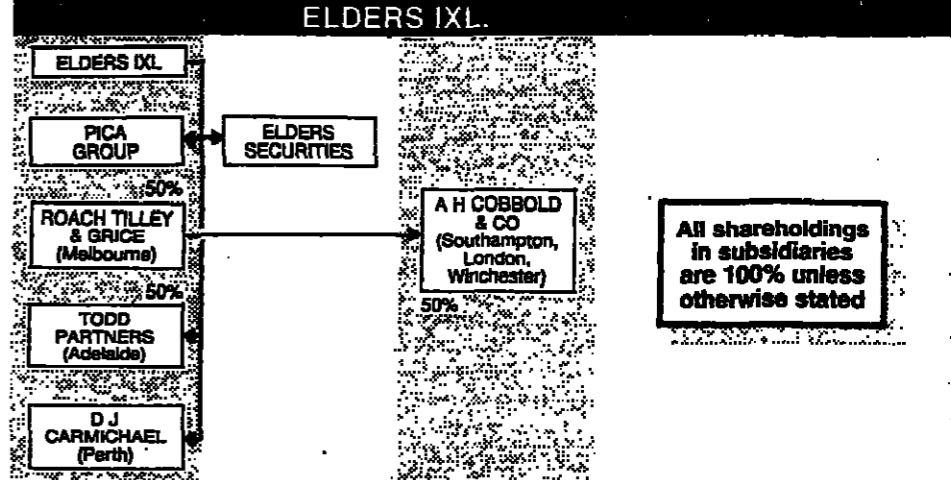
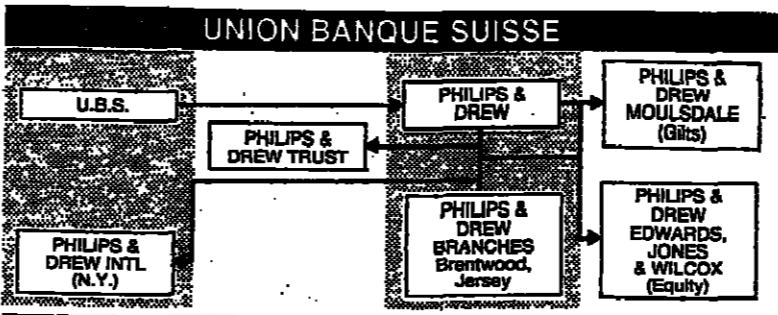
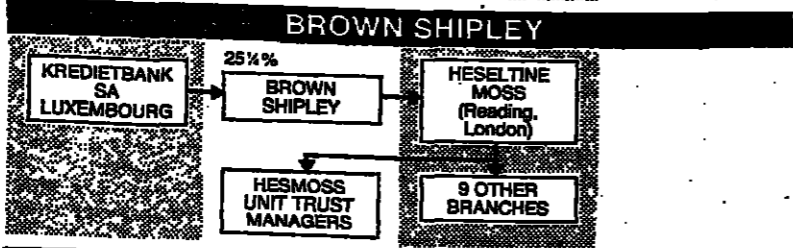
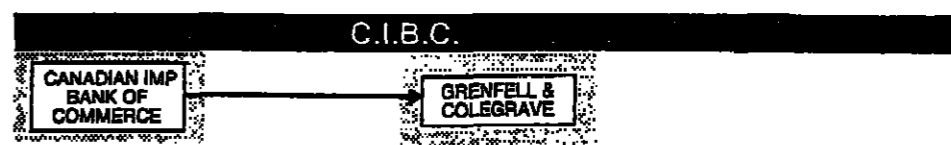
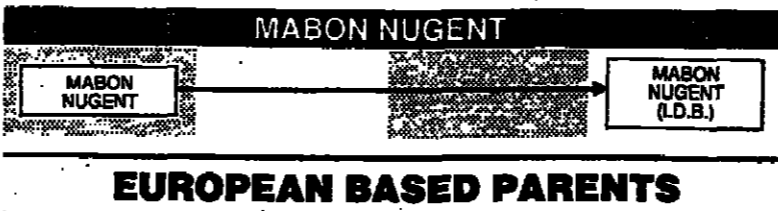
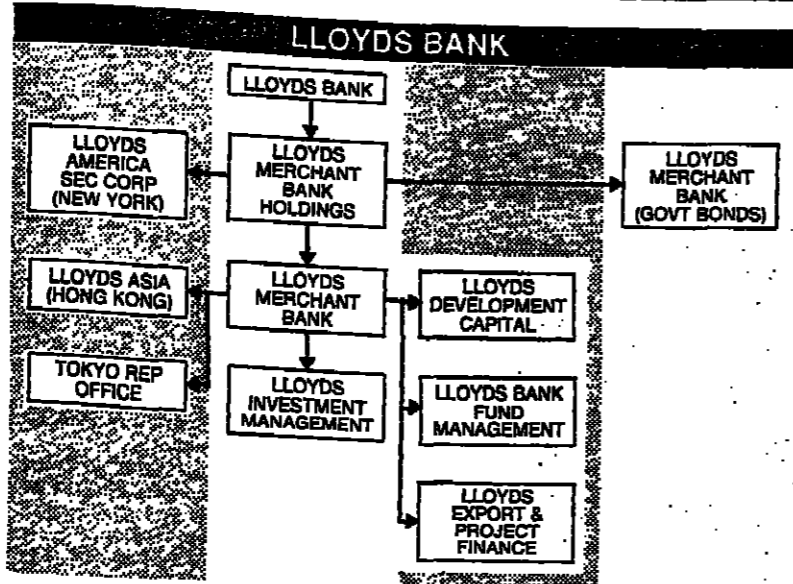
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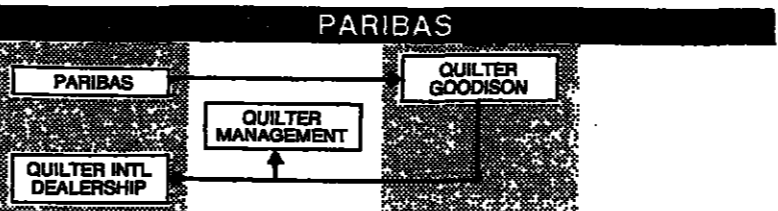
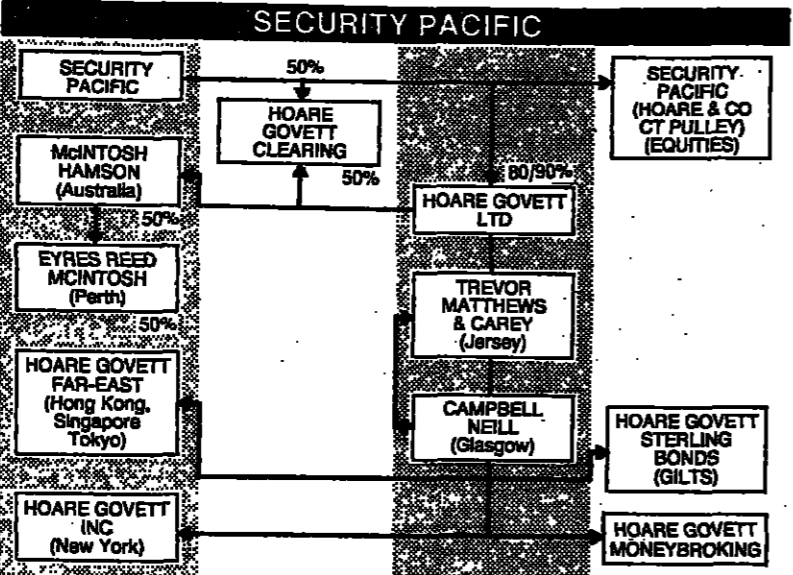
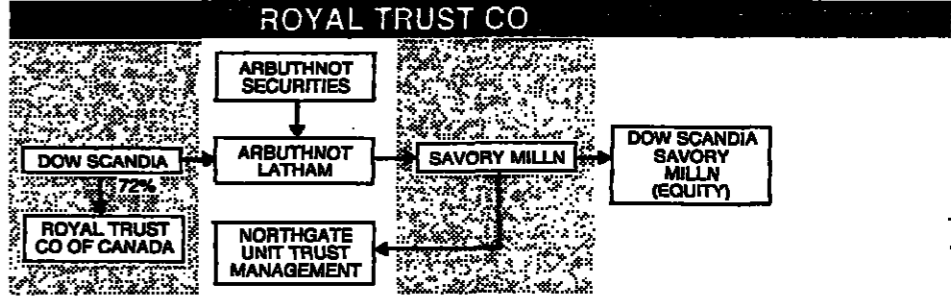
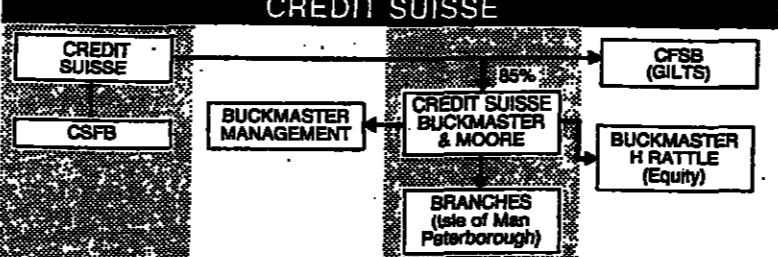
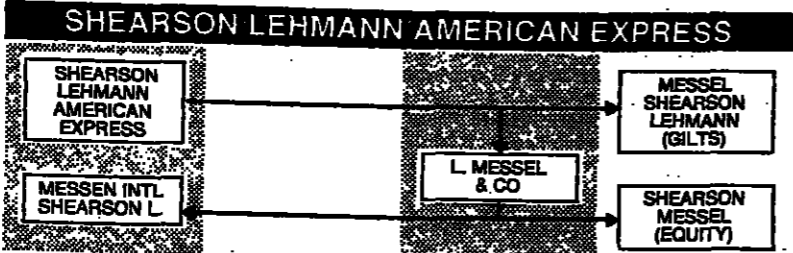


FOCUS

CITY REVOLUTION/6



GROUPS BASED ON US PARENT



The man who made his firm a star

When John Chiene joined Wood Mackenzie in 1962 it was one of the oldest stockbroking firms in Edinburgh. It was also one of the smallest, employing just 10 people. Now, as part of the Hill Samuel banking group, Woodmac is a significant player in the London and New York security markets employing 450 people worldwide.

In the intervening years the firm established a reputation, first for research then for all-round, high-calibre service to institutional clients and, latterly, for corporate finance - it has been involved in the privatization of British TSB, British Gas and British Airways.

Woodmac's transformation is inextricably linked with the tall, forceful figure of Mr Chiene. When he was hired to develop the institutional side of the firm's business, Edinburgh stockbroking was, by today's standards, parochial.

Mr Chiene's chosen route towards building an institutional customer base was research. At first, there was no attempt to cover the whole of the equity market. Investment trusts, Scotch whisky, and insurance were the first sectors studied. Then came oils and food, while banks, tobacco and technology followed.

They were all areas where the long-term investor had to use a significant part of his portfolio. If Mr Chiene were merely following the market in this, the move into North Sea oil research in a big way was definitely leading it.

Intriguingly, 15 years before Big Bang, Mr Chiene and his colleagues already regarded negotiated commissions as being almost inevitable. "In those days we used to talk a lot of long-term strategy and it led to the development of business publications, high-quality research and information for sale to industry in anticipation of negotiated rates of commission," he said.

The oil coverage was a notable success. Woodmac now earns sizeable amounts of so-called hard dollars for research. "Let's just say several millions of pounds a year."

By the early 1970s, 70 per cent of the firm's business was coming from outside Scotland and it was clear that Woodmac would have to establish a base in London. If 1973, with the stock market about to enter the worst bear market since the Wall Street crash, was hardly the ideal moment to embark on a costly new venture, the following year was, according to Mr Chiene, the year that marked Woodmac's acceptance as a major institutional broker.

With a market share of just less than 1 per cent in UK equities, Woodmac had arrived in more ways than one when it established a London office. But revenues continued to grow at about 40 per cent a year. Market share is now about 6 per cent and total revenues have expanded by a factor of 30 or more.

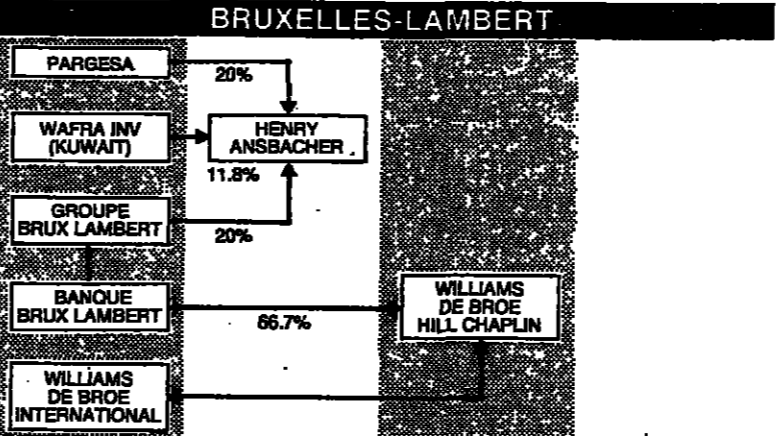
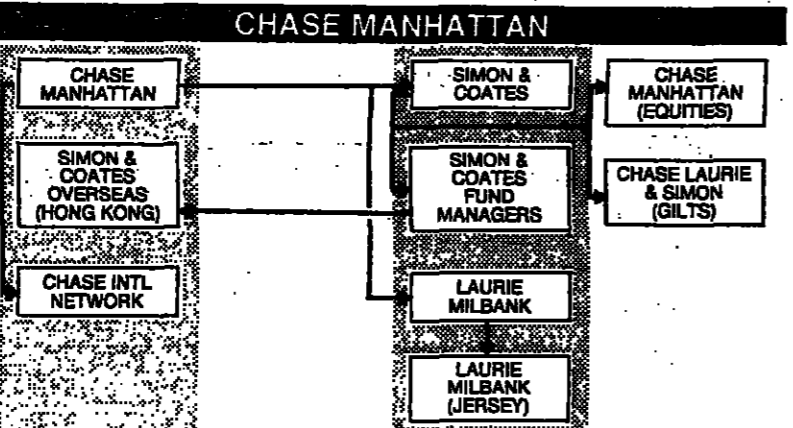
Mr Chiene and his colleagues were among a select band of those in London, such as Jacob Rothschild, John Barkshire, and the partners of Hoare Govett, who not only foresaw deregulation, but ran their business in anticipation of it. "We had a lot of policies in place and were conducting our business in anticipation of negotiated rates. We were not necessarily expecting a collapse of single capacity," said Mr Chiene.

The passing of single capacity raised greatly the level of capital needed to maintain a presence in Woodmac's key markets to a level that made a merger with a bank such as Hill Samuel the next logical development.

Life after Big Bang is, according to Mr Chiene, a matter of two things. Using a golfing metaphor, he said: "You have to make the cut with the institutions on the agency side of your business." The second is flexibility. "Whatever we do must be robust under a variety of circumstances. We don't think that things will solidify after October 27." They won't, probably for a matter of years.

If Mr Chiene reads the future now as well as he read it 20 years ago, Hill Samuel and Woodmac look set for a prosperous partnership.

John Bell



Americans say they will stay on the floor

Big Bang should not be the starting signal to abandon a system which has served London well for many years. That is the view of Tony Lewis, chairman of Smith New Court, the securities group which claims to be independent of any of the big institutions.

He does not believe that "a system which has served London well for so long, and has been the envy of the world, can or even should change totally overnight."

As a result, the firm - created out of the merger of Smith Bros, a leading equity market-maker and Scott Goff Layton, a specialist institutional equity stockbroker - intends to carry on trading on the floor of the Stock Exchange.

"Being on the floor does not mean that we cannot still trade on telephones and screens just as if we were sitting in an office," he says. "But being on the floor itself gives us the added advantage of permitting us to trade face to face, enabling our traders to maintain a constant feel of the markets."

"We are convinced that face-to-face trading is the most efficient way of handling large numbers of transactions."

"I am not convinced that screen dealing techniques and modern technology will necessarily promote this essential liquidity. We feel that having the large bulk of our existing senior dealers inside the actual market will help us from a commercial point of view to maintain this liquidity."

Smith New Court, whose roots go back to 1924, concentrates on equities and options and trades in more than 1,500 UK stocks. The firm has a large number of institutional shareholders, the largest being N.M. Rothschild with a holding of 35 per cent.

Smith New Court has been multi-currencies for different settlement dates, none of them straightforward."

Mr Lewis described how his sophisticated network has enabled it to handle an increasing number of important orders. One, involving Australian shares, was half completed during trading hours in London, another quarter handled in New York and the balance completed in Melbourne.

But while Smith New Court believes it is well equipped to cope with life after Big Bang, the managing director, Michael Marks, believes little will change that quickly. He said the client, who is the driving force, will be slower to change and will continue to do business in much the same way.

But the pressure for change will come from the institutional business. Pension fund managers, he predicted, will be put under pressure to lower transaction costs and this would feed through.

"He will be told that he has to cut his dealing costs. In particular, this will apply to the alpha stocks, like Marks & Spencer and BT, where quite frankly he does not need the research back-up. He knows he has to have a weighting in the stock and will move swiftly to try to deal on a net basis."

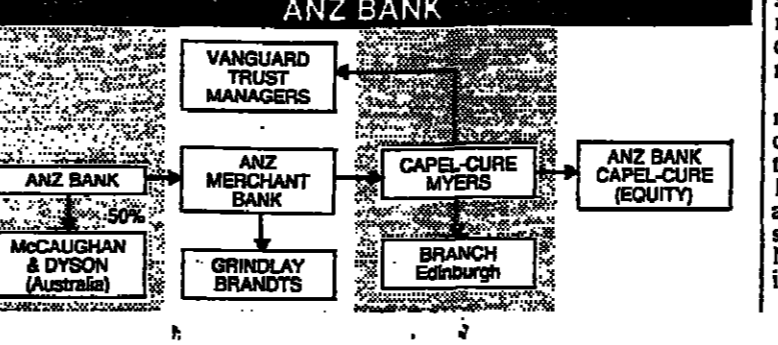
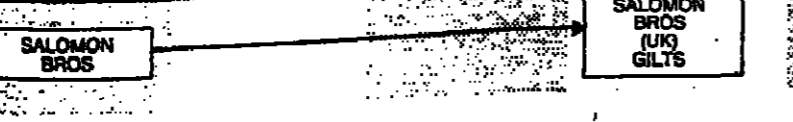
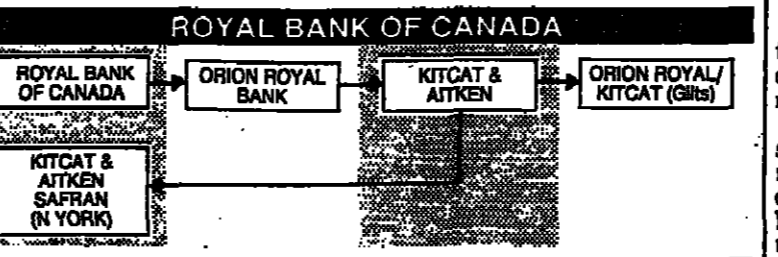
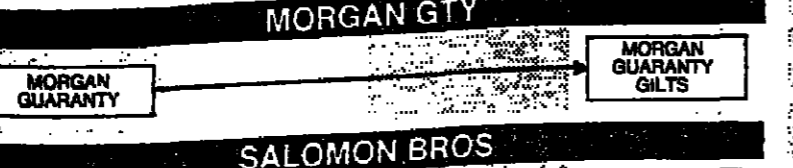
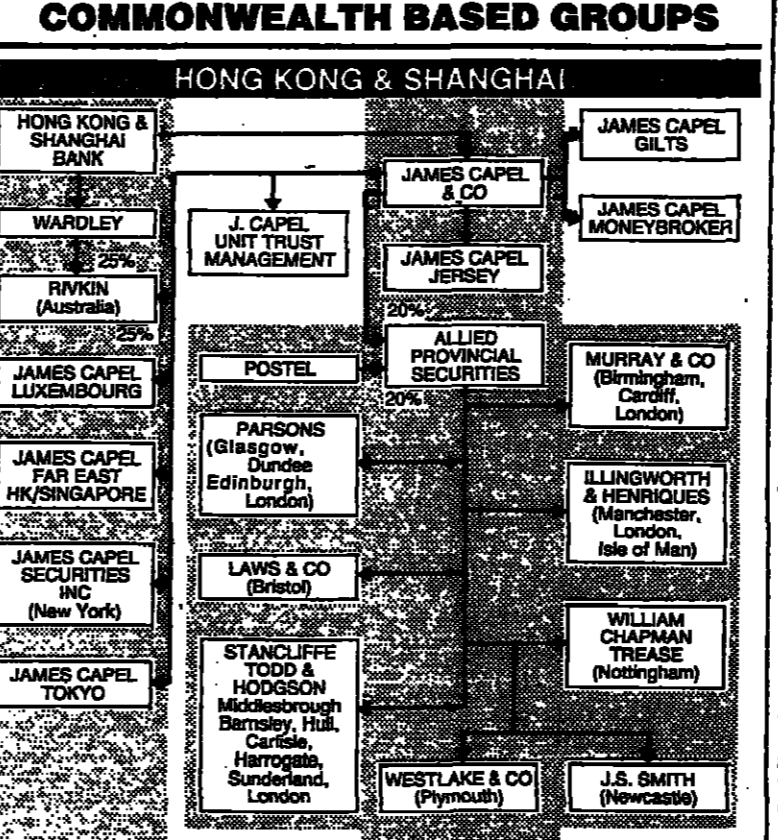
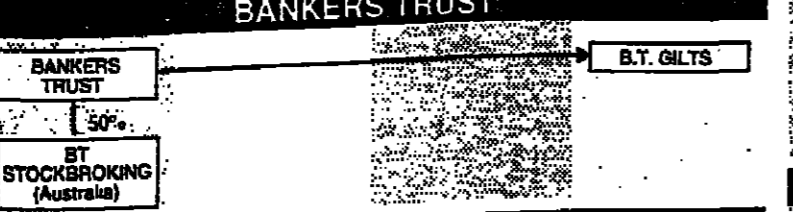
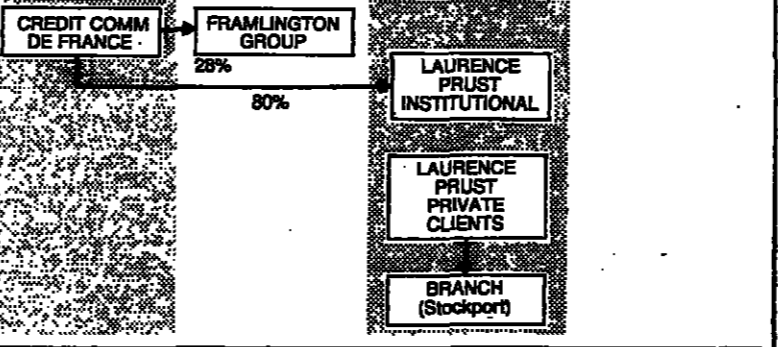
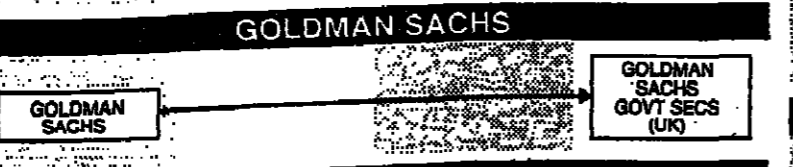
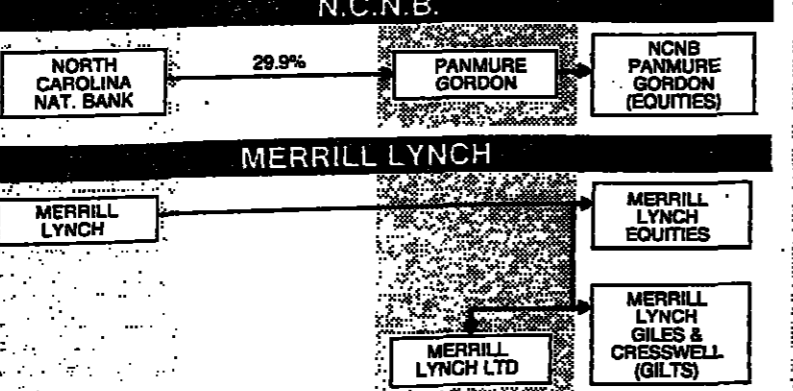
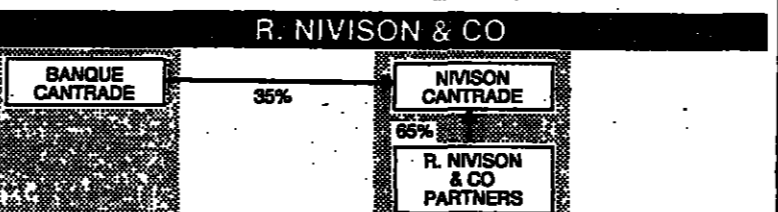
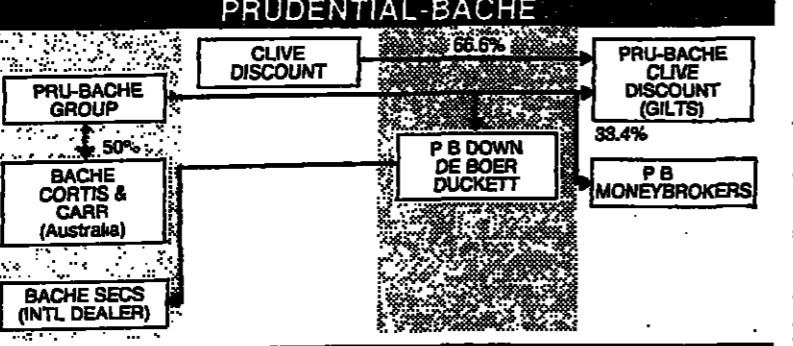
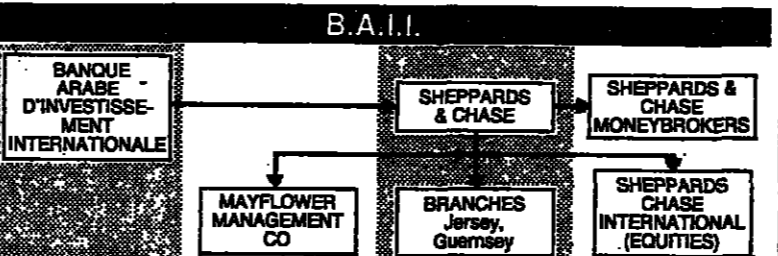
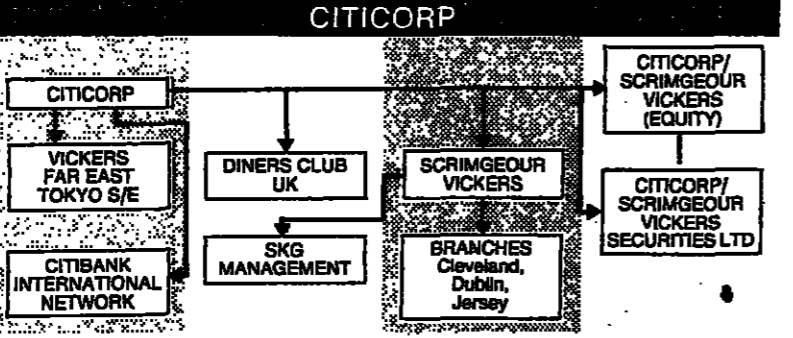
"This will not be the case with private clients. Brokers I have spoken to say that they do not intend to lower their commissions. But the big problem will come with the arrival of the American discount houses who will be offering a no-frills service to try to mop up the business."

"That will certainly rule out any possibility of brokers here trying to come to some sort of unofficial cartel on commissions. It would not hold up," he said.

Cliff Feltham



Lewis: floor-spot advantage





**B**ig Bang is only one part of a much broader revolution going on in the City and the investment industry.

The Financial Services Bill, which is to become law next month, purports to provide a comprehensive framework for protecting investors.

Whether they are buying unit trusts, giving their money to investment managers, dealing in shares, buying life assurance or speculating on the futures and options markets, investors will in some way be affected — and, it is hoped, protected — by the Bill.

Two of the main people responsible for getting the Bill on to the statute book, and making sure it works in practice, are Michael Howard, Minister for Consumer Affairs, and Sir Kenneth Berrill, chairman of the Securities and Investment Board.

Most of the powers to police investment businesses will be transferred to the SIB, which will be the overall watchdog for investment protection. Lawrence Lever interviewed both men.



Looking after investors: Michael Howard, left, and Sir Kenneth Berrill

## A new watchdog for the small buyer

Sir Kenneth Berrill has spent the past 18 months or so drawing up rules. Not personally, of course. He is, after all, chairman of the Securities and Investment Board, the ultimate watchdog for investor protection.

It is named in the Financial Services Bill as the body the Government will make responsible for setting the standards for and policing the investment industry. The board has had to create its own laws for what will become a comprehensive system of investor protection. These have appeared in the form of draft rules.

They tell investment businesses how they should handle clients' money, how they should buy and sell investments on behalf of clients, what tests they have to satisfy to be considered fit and proper to carry out business, how they can advertise and promote their products, and so on.

One interesting — and disturbing — aspect of the board's edicts is the extent to which they merely spell out what is already legally required under the common law of agency.

This requires an agent — such as a stockbroker or an independent insurance broker — to act in the best interests of his client, to put his client's interests before his own, and to attempt to achieve the best result for his client, with regard to his knowledge of that client's needs and personal circumstances.

The board's rules spell out the requirements of being an agent for an investment industry that has often been able to neglect it to its own advantage and to the particular detriment of the largely unsuspecting small investor.

"At least half of the business the SIB does is reinforcing the law of agency," said Sir Kenneth. "It is a fact. There were whole parts of the market where the detailed operations of the law of agency, particularly as regards the small buyer, were patchy."

"The Stock Exchange was the best regulator; the law of agency worked there better than anywhere else. In many other parts of the market where you either had a licence from the Department of Trade and Industry, or you could get an exemption, it was not at all well done because the department does not have the staff, the money and resources to do the detailed work required."

"The level playing field is precisely that: to raise the

level to the best in our markets right the way across.

"That is why you have a central agency and then a very detailed statute which says, 'Just making the law of agency work isn't enough, we are going to write down all the sections of the law of agency as it is meant to apply in various areas.' The small person is now coming into markets in a way in which he did not before."

Is the investment industry the right body to enforce these requirements on itself? Sir Kenneth strongly believes it is. He thinks that having practitioners on the staff of SIB — some of them very senior — gives the board "a tremendous advantage" over government departments. He also thinks that practitioners have sharp teeth.

"When it comes to disciplining other practitioners who have clearly broken the rules they tend to be much tougher than the independent outsiders. On the whole they don't like somebody who has let the market down in some sense."

Suggestions that the City's so-called "cosy club" will huddle together to protect its own,

having a detailed rule book," said Sir Kenneth.

"First of all, people do have the right to come and ask for direct registration, with the SIB in any type of business. If they come to you, you have to hand them a rule book. You can't send them away with 12 good principles."

"The Stock Exchange's own rule book is 1,000 clauses or more already and that is just one part of the market."

"Secondly, it has the peculiar power of being equivalent to a statutory instrument, which means that it can be laid in front of a court and therefore has to be written in legal language, even though you may have an explanatory page parallel which is in more easy-to-understand language."

"Thirdly, if you start with rather general principles in today's market world you're almost certain to be pushed into details — as with the Takeover Code — and you finish up with what you didn't believe you had to have, which is a detailed rule book. So we had no alternative, we had to write a detailed rule book."

"And people also want certainty. They want it both ways in fact. They don't want enormous detail but they don't want uncertainty."

"There is no way in which you can keep the lawyers out of rule books. The Stock Exchange's rule book has always been extremely precise and if it has not been precise enough then they damn well had to revise the rule until it is."

"I don't know an exchange rule book in the world which isn't almost legalistic in its precision, partly because if it is precise, both sides to a bargain know what they are about and partly because it's more difficult to get round them."

Detailed or not, Sir Kenneth still has a long way to go in getting his rule book operative. It has to be finalized because there are still some sections missing, such as the rules laying down how much capital an investment firm must have in order to carry out its business.

The Government has to approve it and it must be vetted by the Office of Fair Trading. Moreover, the SIB will have to examine and approve all the rule books produced by the individual self-regulating organizations.

"It's been quite busy really," said Sir Kenneth, understanding his case. "But I've enjoyed it thoroughly and I don't regret it — so far!"

## Howard's way with the critics

Whether he enjoys the hot seat or not Michael Howard, the Minister for Consumer and Corporate Affairs, certainly occupies it now.

After all he is the man who has had to bring the Financial Services Bill to an often reluctant and critical investment industry.

Mr Howard is in his mid-forties and a QC. Ask him if he made a lot of money as a barrister and he replies: "No, not a tremendous amount."

He was elected to Parliament in 1983 — his third attempt. He plays a little sport and supports Liverpool, Swansea and Folkestone. "Not in that order."

City sceptics would say the passage of the Financial Services Bill through Parliament has not been dissimilar from the mauling Folkestone FC might expect at the hands of Liverpool. Mr Howard would say they were being unfair.

How much did he know about finance before taking on the Financial Services Bill? "I didn't really know a great deal about how the City works but the fact that I've come to it as an outsider has given me greater objectivity in dealing with the issues."

The Bill itself has been roundly criticized. Many in the investment industry have behaved like a screaming child reluctant to have a much-needed bath. It is unduly complex they cry. Is it?

"It's not unduly complex," said Mr Howard. The basic structure of the Bill has not

changed since the White Paper on Financial Services which was published in January 1985.

"The basic concept of a statutory framework conferring powers on the Secretary of State for Trade and Industry, which he then transfers to an organization, which in turn supervises self-regulating organizations, is well understood."

What about the number of amendments that have been introduced to the Bill, another focus of critical comments?

"I always said I would consult with people on the detail in a very genuine spirit of being prepared to respond to their concerns. People would come to me, sometimes quite late in the day, and say, 'We don't really think that you intended your Bill to cover us, but whether or not we are covered is uncertain.'"

"You can either tell people to buzz off because you've a beautiful legislative structure which you don't want to disturb, or you can respond to their concerns. If you take the second view, it means that the Bill becomes longer and more complicated."

"The complications relate almost entirely to boundaries — to give people the certainty that they wanted. But I do not believe that affects the clarity of the principles set out in the Bill. We had lots of requests to fiddle around with these which on the whole we rejected."

"We are regulating a series of activities which are complicated. The financial services sector covers a wide

variety of activities and if you are going to have a comprehensive framework it is idle to pretend that you can do it all in simplistic fashion.

"I'm not pretending that the man on the Clapham omnibus can pick up the Financial Services Bill and read it as though it were a novel."

Another criticism is that the Government bowed to City lobbying, but was less willing to lend an ear to the voices of the smaller, consumer lobby which has neither the power nor the resources of the City.

For instance, a few weeks

which I have not been satisfied on the merits of the changes that have been asked for.

"I changed my mind. It is constantly being said that I was overruled by Paul Channon. That is absolutely untrue. I approach any suggestion of immunity with a prejudice against it. We ought to be very reluctant to interfere with people's legal rights."

"As for giving way to the City, bear in mind that we introduced a compulsory compensation scheme contrary to the wishes of the Stock Exchange. Perhaps the most powerful lobby in the City was saying, 'You leave us alone.'"

One aspect of the Bill which has attracted criticism is its passage through Parliament. In particular, the number of amendments and the shortage of time have led to complaints by the Lords that the Bill was being rushed through without enough time for consideration.

It was only a matter of weeks before the Bill was due to become law that the Government finally decided what it wanted to do about compensating investors who lose money from the fraud or insolvency of an investment business. A fundamental aspect of investor protection had been left to the last minute to resolve.

"The Bill certainly did not have a stormy ride through the House of Commons," said Mr Howard. "Many people said it was the best and most constructive committee they've served on. The conges-

tion in the Lords was in part to do with the general weight of business the Lords have had to deal with.

"As to compensation, we had hoped that it would be possible for the regulatory bodies to come to a voluntary agreement about the possibility of an industry-wide compensation scheme which would make it unnecessary to introduce an element of legislative compulsion into this area."

"When it became clear that no agreement was going to be reached we had to act to provide the best possible compensation scheme."

What does Mr Howard think of the media coverage of the Bill? Not much, it would seem. "I think that it's been unfairly presented — particularly more recently where I think there has been great concentration on practically any and every criticism of the Bill from whatever quarter and however self-contradictory or ill-informed."

"Insufficient attention has been paid to the merits of the Bill and the extent to which we were responding constructively to representations which were made. And a lot of the criticism has been of the rules drawn up by the SIB although the criticism has been wrongfully directed at the statute."

So presumably Mr Howard is satisfied with the Bill?

Long pause. "I don't suppose satisfaction is something I should confess to." All right, is he pleased with it?

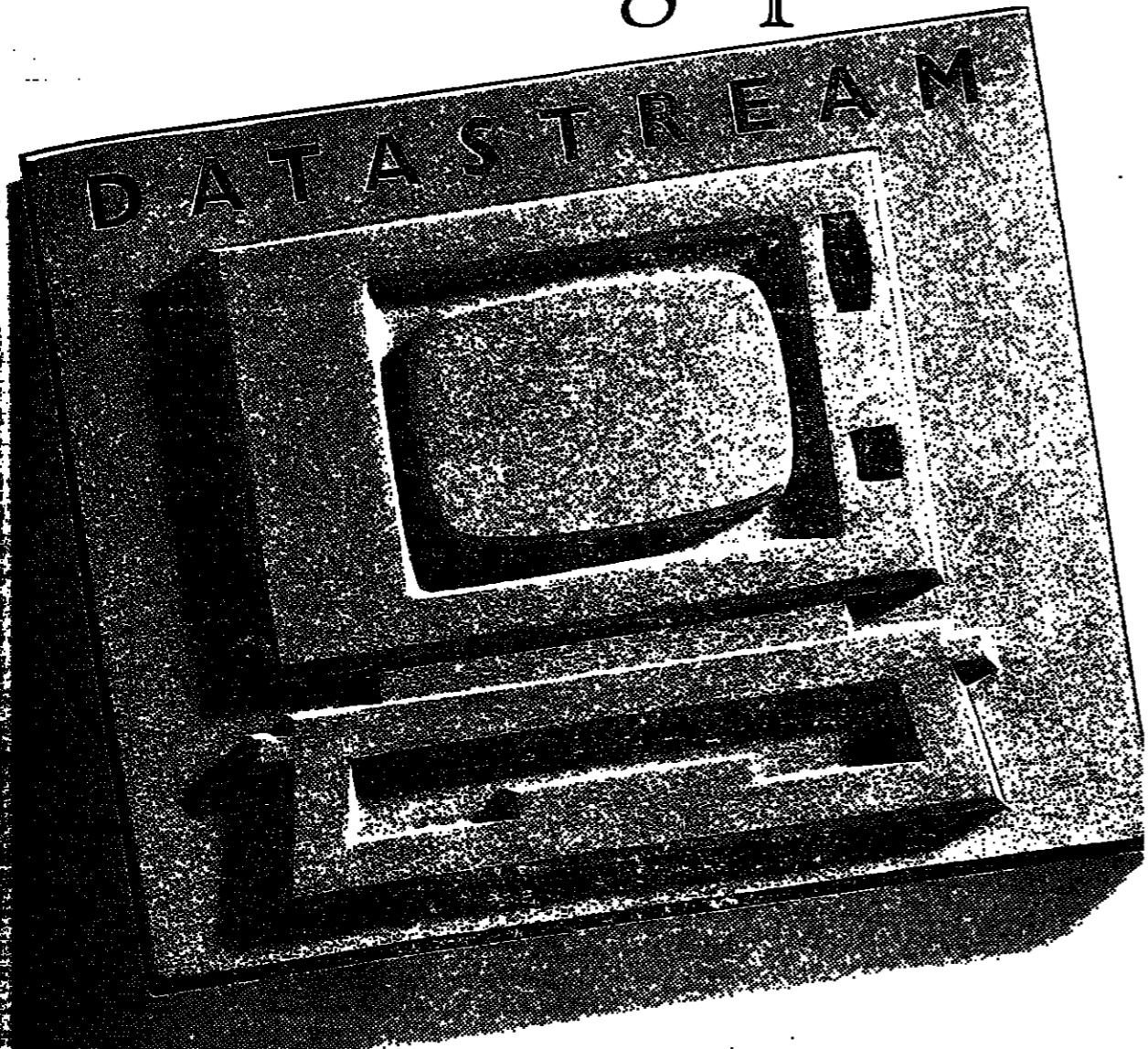
Another long pause. "Yes, I think that it represents a responsible approach to the task of putting in place a comprehensive framework for investor protection — the first time we have ever had that in this country."

### As an outsider I have greater objectivity in dealing with the issues

before the Government decision to give self-regulating organizations immunity from actions for damages, Mr Howard had given a firm impression that he was against it. Moreover, the decision to grant immunity did come after the self-regulating organizations said they would not be able to serve without immunity. This was surely the power of collective City lobbying the effects of which do not inspire confidence in self-regulation.

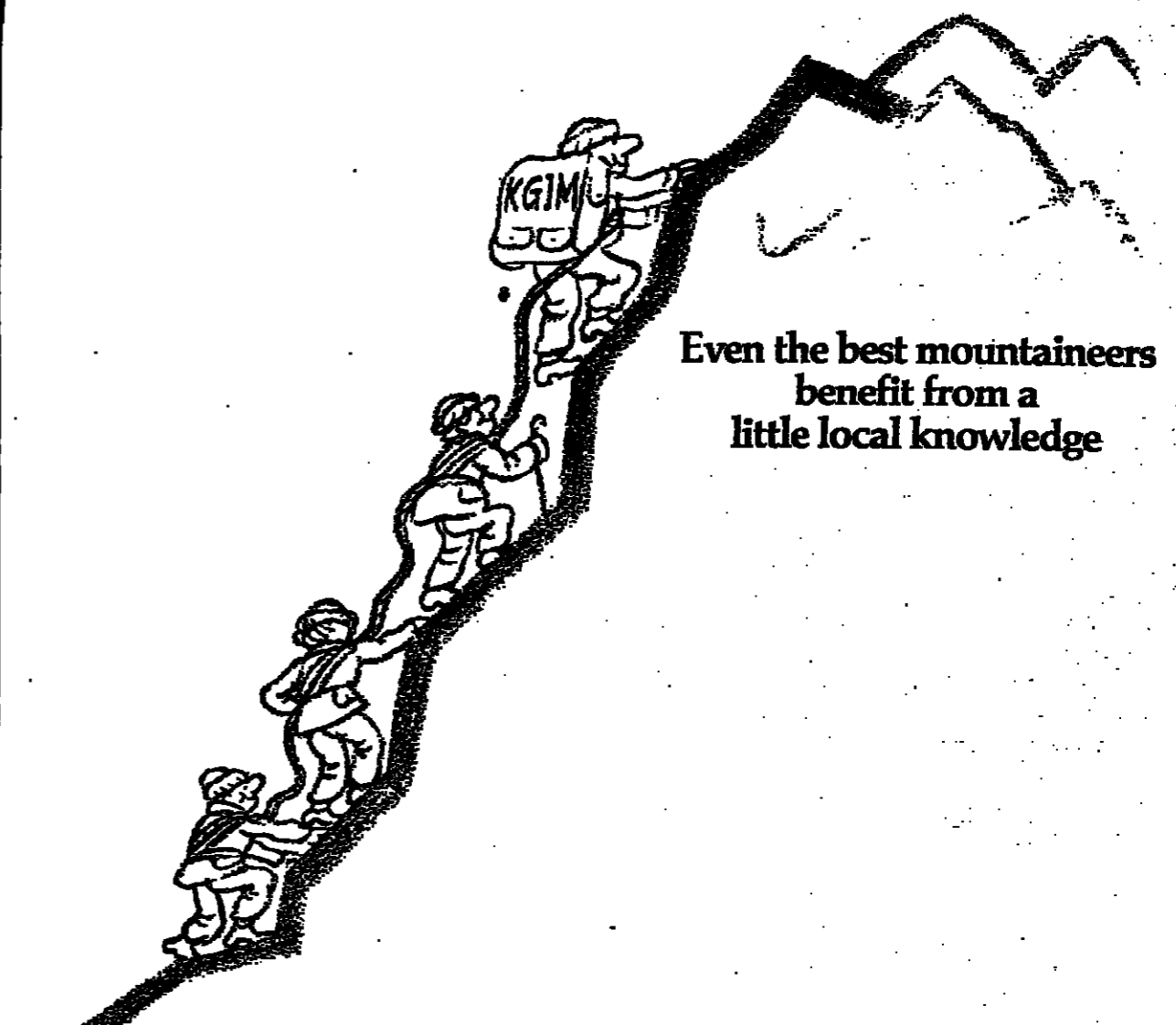
"I absolutely don't agree," said Mr Howard. "That decision is justified on its merits and there is no decision that I have taken on this Bill as a consequence of lobbying on

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# chdog for l buyer

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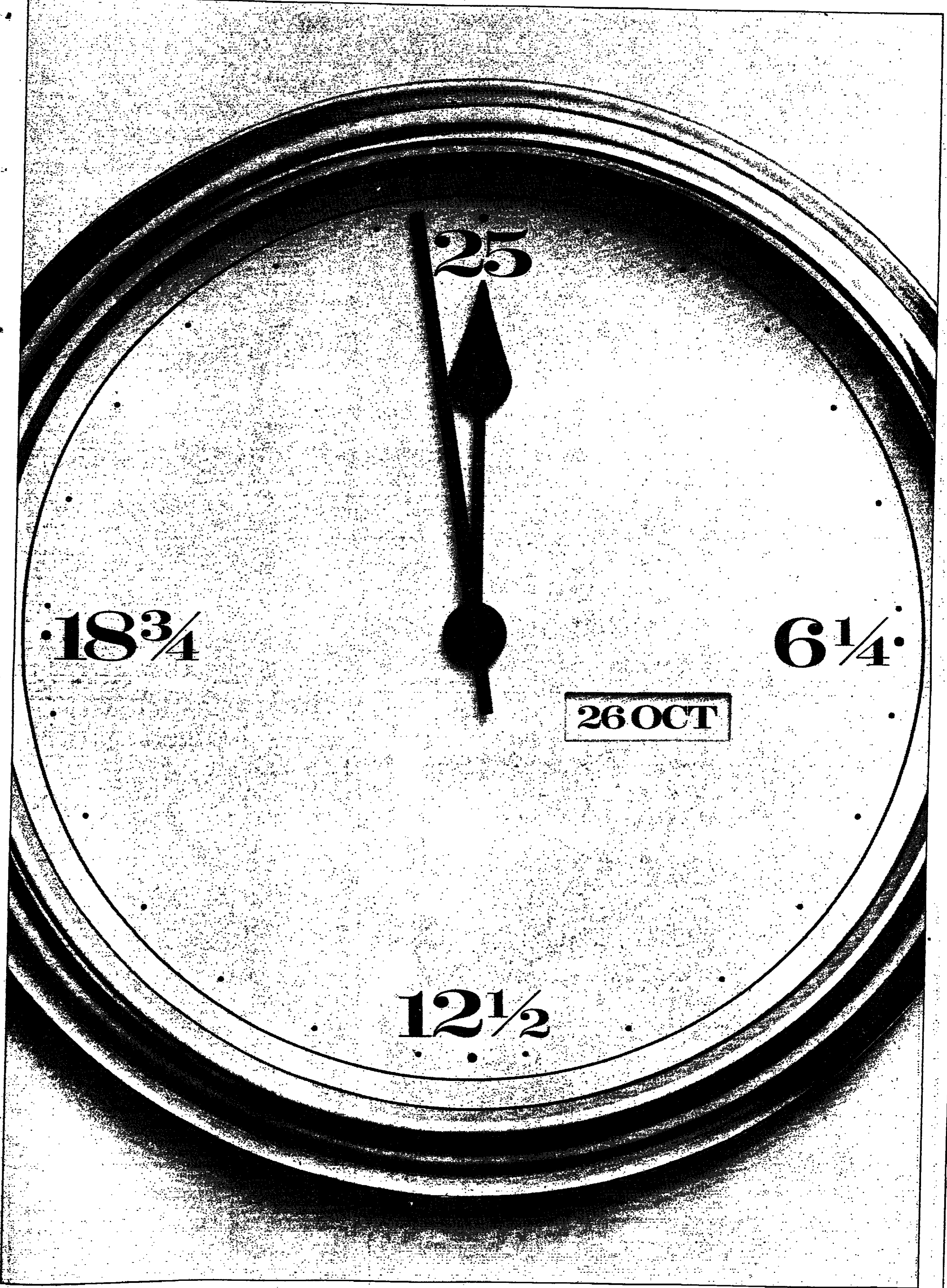
"I don't know an exchange rule book in the world which isn't almost flawless in its precision, partly because if it is precise, both sides to a bargain know what they are about and partly because it's more difficult to get round them.

Detailed or not, Sir Kenneth still has a long way to go in getting his rule book operating. It has to be finalized because there are still some serious deficiencies, such as the rules laying down how a capital investment firm must have an order to carry out its business.

The Government has to approve it and it must be voted by the House of Commons. The City's rules will have to be approved by all the major producers of the City and must be well-regulated.

"It's been a very busy year," said Sir Kenneth, "and we've had a lot of work to do. We've got to get the rule book ready for the Big Bang."

# TO PREPARE FOR TODAY, WE WORKED 25 HOURS YESTERDAY.



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# Lift-off: from banter and chat to video interfacing

To get a true grasp of the changes wrought in the City by Big Bang, take a look at the dealing room of a Stock Exchange member. Not so long ago, the typical stockbroker's office displayed a cosy if somewhat dishevelled air. While salesmen juggled banks of telephones, taking orders from clients and relaying them to traders on the market floor, piles of papers flew back and forth to the settlement department where accounts were made up for clients and other broking firms.

Hidden away in nooks and crannies were research staff, gleaning intently over a pile of share-price graphs and annual reports.

Today, the largest dealing rooms in the City look more like NASA mission control. The cavernous rooms contain no central-heating pipes or umbrella stands to disturb the line of vision.

Instead, there are rows and rows of salesmen, traders and researchers staring into video terminals. In NASA parlance, there appears to be a perpetual state of preparing for lift-off. Today Big Bang - lift-off - has arrived.

Big Bang is not totally responsible for this transformation. Technology has leapt into stockbrokers' office during the last decade with the explosion in screen-based information services, the development of sophisticated telephone systems and the gradual automation of the back office.

What Big Bang has done is to make technology a necessity, rather than a luxury. Broking firms which have taken on market-making roles have faced the most pressing urgency. Systems have to be developed to track positions in individual stocks and to organize settlement of trades executed in their new capacity.

More importantly, Big Bang has brought the Stock Exchange floor into the trading room. Apart from keeping abreast of market developments for the firm's own records, many of the post-Big Bang systems are designed to be compatible with the Exchange through the SEAQ quotation and price system.

It can constantly update bid and offer prices and reporting trades in leading securities as soon as they happen.

Constructing a dealing room for Big Bang has presented two obstacles to in-house technocrats at the City's



Dial phones and chalk boards - a brokers' office in 1948 and, right, technology takes over - Paul Harknett in the equity dealing room at Kleinwort Griesevon



securities houses. The first has been a tight time factor - Big Bang date was announced only two years ago and the Stock Exchange has been adamant that there would be no slippage. The Exchange set the pace by bringing SEAQ to fruition on time.

Second, the nature of the broking firms and the markets they serve has been constantly changing. Brokers, jobbers, clearing banks and merchant banks have teamed up to form giant financial conglomerates whose functions stretch far beyond research, broking and market-making in domestic equities and gilts.

Some of the largest organizations also cover market-making in options, Eurobonds, US government bonds and international equities. They may also have large investment management operations.

The keynote of a Big Bang dealing room, according to Paul Harknett of Kleinwort Griesevon, is flexibility. The room he has supervised is one of the largest in the City, covering 21,000 sq ft with space for more than 250 traders and salesmen.

Mr Harknett said: "We're not certain which market areas will expand and which will contract. So we need a system that can deliver a variety of different information services to a desk according to the business being done there."

In all, Kleinwort personnel will have more than 25 information services to draw

on, ranging from in-house gilt price and equity research databases and position keeping service, to external news and information services such as Reuters, Telerate and, of course, SEAQ.

Mr Harknett and his counterparts around the stock market have been helped in their chase for flexibility by cal area networks (LANs) hidden under the floor, which then feed up through one cable to each workstation.

Video feeds have to be cabled physically from the source of the data to each screen, rather like a TV aerial lead at home. Thus if a gilt dealer wants to trade places with a Japanese equities trader, their digital services can be swapped at a flick of a computer switch. Physical manoeuvring would be needed for the video systems.

Another selling point of digital services is that the data they present can be manipulated by the users. Traders can do little more than stare at a video-driven screen of gilt prices, but can take a digital feed of the same information and sort the prices by yield, volatility, relative value and so on.

Dealing-room managers have also given consideration to the atmosphere their traders and market-makers have to work in. The most efficient layout, technically speaking, might be counterproductive if dealers, especially those hauled back from a lifetime of banter on the Stock Exchange floor, find themselves isolated from their colleagues by a battery of computer screens and telephone switchgear.

Tony Peter hopes he has done enough to construct a suitably atmospheric dealing room at Wood Mackenzie, now part of the Hill Samuel group. He says: "The whole emphasis after Big Bang will be on off-floor trading. You've got to recreate that atmosphere to get the feel of the market."

Mr Peter has tried to do this by giving priority to the vocal communications. Traders have access to both a person-to-person intercom and a general broadcast system when they wish to impart their messages to the entire room.

He is also doing his best to mollify clients who fear that personal service will disappear after Big Bang.

Wood Mackenzie's switchboard operators, he points out, sit in the dealing room, able to tell callers where their salesman is located.

Richard Lander

For the last two decades, Walter Anch, the former chairman of the Chicago Board Options Exchange, has treasured a piece of paper which neatly illustrates the changing face of the American securities industry. It is a 1965-vintage "tombstone", the financial world's term for those drab newspaper advertisements that list stock-broking firms taking part in the underwriting of a share issue.

In this particular case, tombstone has another meaning: every time a share dealer has folded, merged or been taken over since 1964, Mr Anch has put a line through its name. Today, fewer than a quarter of the 200 or so firms which helped General Motors raise \$360 million in 1965 remain as independent firms.

Mr Anch's pen has been particularly active since "Mayday" - May 1, 1975 - when the American securities industry had its own Big Bang. In retrospect, the event seems such a pale precursor of our own stockbroking revolution that it seems hard to understand what all the fuss was about.

Whereas the British Big Bang gun is a triple-barrelled device - combining the end of fixed commissions and single capacity for brokers and jobbers with the opening of stock exchange membership to all - Mayday

## Tombstone Territory's warning

merely saw the end of rigid commission rates on all share deals. Even that blow had been softened two years earlier when negotiated rates were allowed for large bargains.

Sam Hunter, a senior vice president with Drexel Burnham Lambert, one of the largest brokerage houses on Wall Street today, said: "Compared to what London is doing, Mayday was almost anti-climactical." But he admits to the benefit of hindsight, saying: "Mayday is the international signal used by shipwrecks. We all took life preservers into the trading room on May 1."

But judging from what happened in the period immediately after Mayday, British securities firms would be unwise to write off the experiences of their US cousins 11 years ago. It might all happen here again. The biggest change was that commission rates fell like a stone, never to recover.

"Commissions weren't negotiable at all," Mr Anch said. "The institutions with their muscle were able to dictate them."

Rates fell by 10 to 15 per cent on Mayday and edged further down in the weeks afterwards. The price-cutting war had a fundamental effect on the way Wall Street did business.

Mr Anch said: "There was very little regard for quality of service for some time. Clients were interested only in price. This changed over a period of time and the customers demanded service and a low price - and got it."

The first victims of Mayday were the niche "institutional boutiques" which prided themselves on their research facilities.

Regional brokers suffered the same fate for similar reasons. Of the 17 Cleveland firms which took part in the GM share issue, only one survives. The bigger brokers survived by raising their commissions to individual investors, who had to get used to subsidizing the large pension funds and insurance companies, a reversal of the pre-Mayday situation.

Such a course of action will be less readily available to British brokers after Big Bang. Sales of shares in TSB, British Telecom, Jaguar et al notwithstanding, the man on the Clapham Omnibus owns a far smaller proportion of the share market than the Kansas City milkman of 1975.

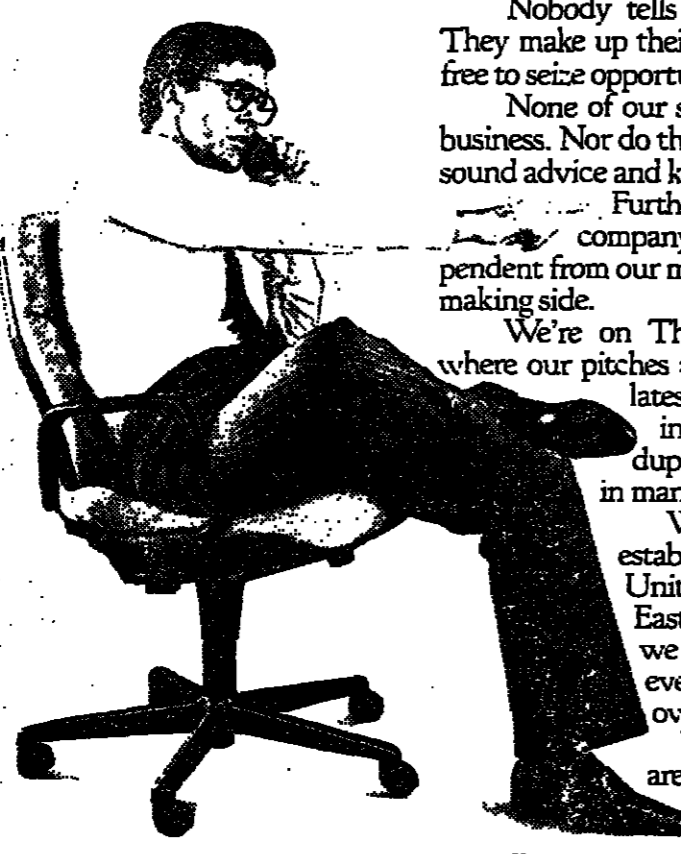
It was not long before the law of the jungle held complete sway on Wall Street to make Mr Anch's tombstone a mass of solid black lines.

As the smaller, weaker animals died out, the number of members of the New York Stock Exchange started to fall. Of the 494 around on Mayday, only 473 were still there two years later.

What saved an even greater and longer decline was the start of what turned out to be a 10-year bull market. There are now 600 members on the NYSE and the number of broker-dealer firms in the US has grown from 4,300 to almost 7,800, according to the latest figures of the Securities Exchange Commission.

Richard Lander

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## Broker-dealers enter the gilt-edged market

In the old days - last week, in other words - the gilt-edged market was a simple place. It was dominated by just two jobbers who supplied most of the liquidity in a market which normally sees a turnover of something more than £4 billion each day.

Now there are 27 market-makers, a completely new tier of inter-dealer brokers and a group of half-breds known as broker-dealers.

The aim of the new market structure from the Government and Bank of England point of view is primarily to boost the market's liquidity. Though the gilts market will never come near the massive volume of the US Treasury bond market, the funding opportunities opened to the Government by a larger, more liquid market should be greater than in the past.

From the market participants' viewpoint, the aim is to make money. They are less obviously likely to achieve their object than the Government.

It is clear from their capital base alone that market-makers are adopting different strategies. While the biggest players such as Barclays de Zoete Wedd and Salomon Brothers are gunning for a sizeable share of the whole market, smaller operators are aiming for a niche in one part of the market.

Naturally, a large contingent of the new market-makers are British. The Americans form by far the largest non-British contingent. The market-makers will be dealing as principals and acting as brokers distributing stock to clients. What makes them special - as distinct from the broker-dealers, for example - is their relationship with the Bank. It is they who will deal directly with the Bank and bid for new stock when it is issued.

The Bank is already thinking of ways in which to exploit the opportunities offered by this new market structure.

Though the market-makers are the essence of the new structure, the entirely new tier of inter-dealer brokers could rapidly become crucial to their functioning. The six IDBs, also separately capitalized, do not act as principals but match deals between market-makers. There has been much debate over whether they are needed at all.

Those against them argue that there is no point dealing through an IDB when you can deal direct with another market-maker and avoid the IDB's commission.

But supporters of the IDBs say that the anonymity they provide - IDBs do not reveal the identity of their counterparties - offers an excellent mechanism for market-makers to unwind large positions without advertising their operation to the whole market.

Equally, they argue, market-makers have access to screens on which each IDB advertises his prices which should make for a more efficient market.

The potential importance of IDBs was demonstrated in the two gilt market rehearsals held in the run up to today.

Both times, roughly half the turnover went through IDBs. Yet even those who support their role doubt that there is really room in the market for all six. Most participants believe that the market can support about half that number.

There is also to be a layer of half-castes known as broker-dealers who will deal as principals and act as brokers. Unlike market-makers, they are not obliged to make firm, non-stop prices but can deal when it suits them. The other feature distinguishing them from market-makers is that they have no direct access to the Bank.

On the face of it, the broker-dealer's position is an enviable one in what is likely to be a difficult market. It is the role chosen by Union Discount when it dropped out of the market-making ring. But the broker-dealers will still have to compete with the market-makers on the broking side without the flexibility of being a fully-fledged market-maker.

Finally come the nine money brokers, already familiar to gilt-market traders. Their chief function is to provide stock-lending facilities to smooth the market-makers' task.

The brokers can, for example, borrow stock from either large investors or even market-makers who happen to belong and lend it on to market-makers who are short of the same stock.

The settlement system itself is a further new feature and of crucial importance.

Market-makers and other market participants will be responsible for settlements with investors. But between market-makers themselves, settlement is carried out through the Bank's Central Gilt Office the day after a deal is done. A system of guaranteed payment has been hammered out with the clearing banks so that sellers can be sure of getting their money.

In effect, the banks have a charge over the gilts in question if the buyer defaults. This is symptomatic of the new style of the market: formal, somewhat legalistic, leaving nothing to tradition.

Richard Thomson

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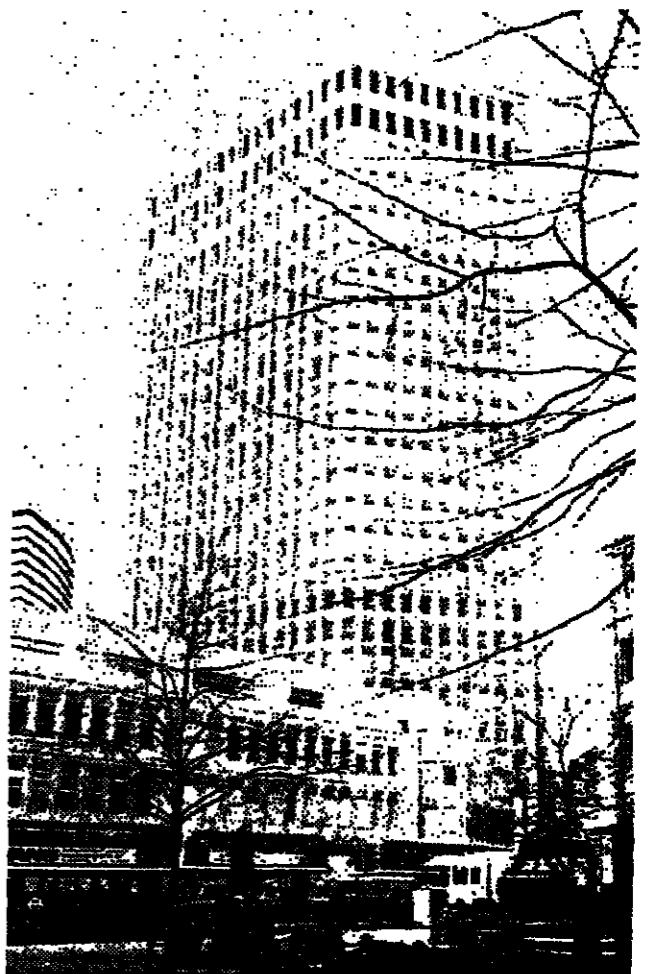
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FOCUS

Shareholders' rights in secondary issues



London's modern Stock Exchange



Sir Martin Jacoby: determination behind the words

For many years the Stock Exchange has required that when a listed company issues new shares to raise further cash, the existing shareholders must be given first refusal of the option of putting up the increased capital.

This right can be waived only if the shareholders specifically agree. The principles behind this rule, in essence, are: 1. The shareholders collectively are the proprietors of the company, each having a stake in it proportionate to the number of shares he or she owns.

2. Only the individual shareholders can consent to any arrangement whereby their proportionate stakes are modified or reduced. The directors should not be allowed to impose any such arrangement upon them.

3. When, therefore, the company seeks to increase its assets by issuing new shares for cash, the existing shareholders must be given the opportunity to maintain their proportionate stakes by putting up the money.

4. In the event that any individual shareholders are unwilling or unable to subscribe new cash, they must at least be given the opportunity to obtain value by selling their rights to subscribe in the market.

the rest of the market as best and as quickly as it can, with no preference given to the existing shareholders.

The US system is the product of different geographical circumstances: the size of the country and the absence of a nationwide press network make a general offer to individual shareholders very difficult to arrange.

Another factor is the method of recording and transferring title to share-ownership in the US which in the past led to widespread use of brokers' nominees as a semi-permanent form of shareholder identification.

To a great extent the growth of modern communications has made these considerations obsolete, but because of the

syndicated placings than issue costs in Britain.

In January the Stock Exchange let it be known that it was considering modifying its previous insistence on the strict pre-emption rights rule, recognizing "that the ability to act quickly is important and that the cost of new money should be a main consideration".

The Stock Exchange admitted to increasing pressure "if they are seen to prevent the large new financial groupings from using their own financial strength to purchase, place or underwrite issues within their own group".

In August the Stock Exchange finally gave way, and passed to shareholders the task of protecting their own

not be diluted without their consent. As the company need give no information about the size or percentage amount of any planned issues, shareholders will hardly be in a position to make an informed decision.

They could give blanket approval to a large issue at a deep discount to third parties which not only dilutes their interests but also depresses the price of the shares they still hold.

By opening the way to syndicated secondary placings the new ruling also gives a strong lever to the relatively small group of investment banks and investing conglomerates which have both the capital resources and the distribution power to undertake what in the US are known as "bought" deals.

Every company which obtains the necessary shareholders' waiver will be an open target for propositions from this group.

By concentrating the handling of secondary issues in the hands of relatively few investment banks, the new system will in turn make it necessary for those investors who wish to be offered participation in such issues to become clients and customers of those banks. This will increase the banks' power and standing relative to their competitors.

Private investors who are not on the client lists of the major issuing and underwriting houses will simply not have the opportunity to participate in new primary or secondary issues at the issue price. The Stock Exchange could do something to redress this imbalance by insisting that a substantial part of any secondary placing are allotted

to brokers other than the issuing broker.

The same small cartel of large brokers and banks is pressing the Government to amend the Financial Services Bill to allow price-supporting operations in the market during the currency of an offer of shares as is already allowed in the Eurobond market. This would strengthen their hand still more.

So far the Government is proving less of a soft touch than the Stock Exchange which signed off a recent statement with the wan observation: "The Council of the Stock Exchange still regard

an offer for sale as the most equitable method, and fully support the concept of pre-emption".

The Stock Exchange can argue that if the investing institutions wish to maintain the present system, which the Stock Exchange Council "fully supports", in effect if not in deed, they can refuse directors the blanket waiver they seek.

Whether the institutions and their investment protection committees will have the stomach for constant guerrilla warfare in defence of investor interests is doubtful.

John Hollis

prices by yield... Mr. Patten has tried to do this by giving priority to the... Mr. Patten has tried to do this by giving priority to the... Mr. Patten has tried to do this by giving priority to the...

Richard Lander

When I suggested to Sir Martin Jacoby that he was a thinker, he laughed before he disagreed. But there is something about this softly spoken man that distinguishes him from the more bombastic figures who have tended to characterize the City Revolution. For one thing, he must be unique within the square mile for having changed jobs in the last 18 months for a cut in salary.

Richard Lander

Thinking knight at the heart

When I suggested to Sir Martin Jacoby that he was a thinker, he laughed before he disagreed. But there is something about this softly spoken man that distinguishes him from the more bombastic figures who have tended to characterize the City Revolution. For one thing, he must be unique within the square mile for having changed jobs in the last 18 months for a cut in salary.

high returns on their capital as in the past. Sir Martin is aware of the discomfort his fellow bankers and brokers feel but I suspect that he thinks that this is no bad thing.

Sir Martin, who was knighted in 1985, has a sharp inquiring mind which was honed at the Chancery Bar in the 1950s and 1960s. It was then put to good use at Kleinwort Benson, where he rose to the heights of vice-chairman before he joined Barclays Bank as one of three deputy chairmen in 1985. His primary role was as chairman of the Barclays de Zoete Wedd, the embryonic securities arm of the plc.

Threat within the European time zone. He is watching to see whether the regulatory changes in the Frankfurt market, which took place at the end of 1985, will lead to a drain on business in London. American houses are increasing their presence in Frankfurt, but not yet at the expense of the London market.

Strange things can happen to people

wholly understood. For example, the amount of capital needed to establish an international securities business was vastly underestimated. British firms have taken the plunge rather late in the day and are starting at a disadvantage. Sir Martin says: "Many of them are undercapitalized and do not have a strong flow of domestic business."

It is a well-known secret that the Securities and Investments Board had set its sights on Sir Martin as its chairman. But he prefers to play second fiddle as deputy chairman. He believes strange things happen to people when they are put in a regulatory mould: cumbersome rules seem an inevitable consequence.

In a situation where new entrants are coming into the market, it will not be possible for the old players to earn such

As for BZW, his chosen steed, he says almost coyly: "I want to help make it a great success." His delivery should not, however, be seen to mask the determination behind this statement.

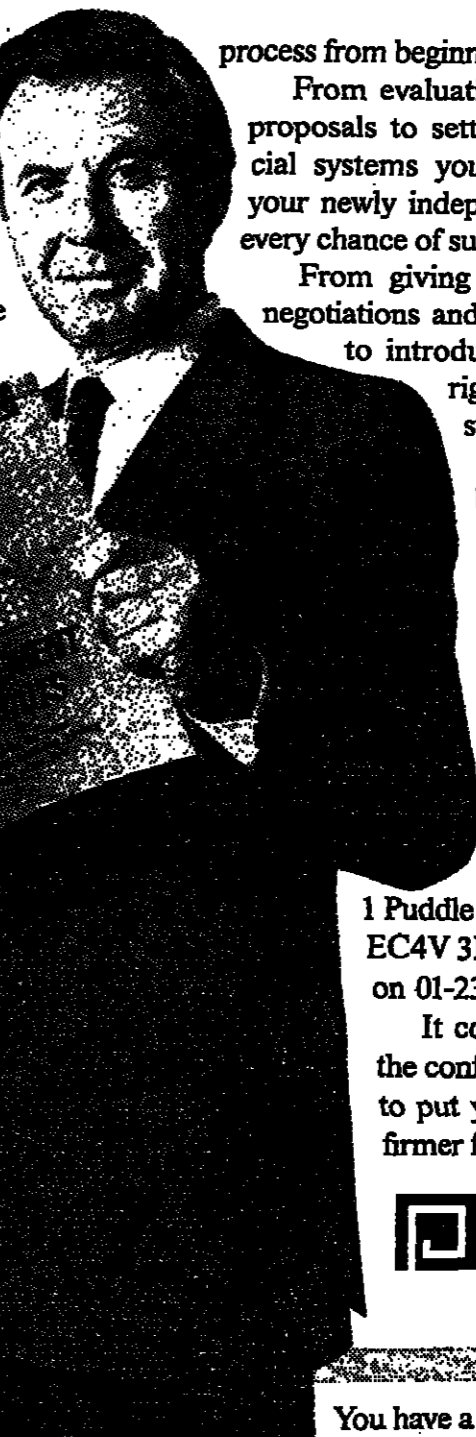
Alexandra Jackson



Barclays jobbers in action: Big Bang will change the role of such operators

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Even those "in the know" about Big Bang are not yet fully aware of what Pandora will be letting out of her box. Many of the major players are remarkably vague and content to "suck it and see".

In the past, the unique separation of the function of the stockbroker (agent) and the stockjobber (principal) significantly reduced conflicts of interest within a single organization.

With organizations which fulfil both functions a new and much more powerful conflict is brought into the system: own capital versus client's capital.

The official bodies in the UK, both self-regulatory and free-standing, are increasing by the minute and are beginning to flex their muscles. The Financial Services Bill is expected to be law by Christmas.

However, compliance departments typically employ individuals from within the organization. They themselves have a conflict of interest since they are not directly accountable to an outside body.

Colin Condren, compliance director of Barclays de Zoete Wedd, divides conflicts of interest into two main categories.

First, there are those which involve the possible flow of confidential information from one part of an organization to another, for example between corporate finance and market-making departments.

Secondly, there are conflicts caused by the possibility of sympathy or identity of action. The role of an investment manager in the event of a take-over bid is an example. Indeed, over and above the pressures which could be bought to bear by the corporate finance department, it is not inconceivable in a broadly based organization that considerations such as loss of clearing bank business could interfere.

Passing of confidential information is reasonably easy to contain as physical separation can play a major part. The Chinese Walls which have taxed imaginations as to their structure have a part to play here.

The second category is more insidious and will be difficult to guard against. With all the goodwill in the world it is going to prove difficult for securities organizations to resist the temptation to com-

# The dangers lurking in Pandora's money box

pensate for the loss of income which will undoubtedly follow the abolition of stockbrokers' fixed commissions.

Although most of the big securities houses have given a significant amount of thought to the problems, many do not want to set everything down in tablets of stone. Peter Barton, joint head of corporate finance at Shearson Lehman Messel, does not necessarily see conflicts as being a bad thing.

However, he admits that the client agreement must make it clear that conflicts might exist. He says: "We must recognize our ability to react to experience. In the early days, we will err on the side of caution in order to protect fully the interests of clients. However, we must also be allowed to carry on our business."

Not surprisingly, this is a view widely held by organiza-

marketing tool; perceived or actual independence appeals to clients who are worried about what life after Big Bang will bring.

Avoiding employees finding themselves in situations where they have a personal conflict of interest is also very important.

Shearson Lehman Messel will be circulating a set of house rules taking into account the pronouncements of the appropriate regulatory bodies. To prevent any conflicts in employees' personal dealings, "stop lists" and "refer lists" will be circulated containing the names of securities in which employees either cannot deal at all or must seek clearance before dealing.

Although the motives behind this are undoubtedly honourable, it will have the

**There could be a temptation to let a vital piece of information slip**

tions which incorporate the functions of stockbroking, stockjobbing, merchant banking, clearing banking, fund management and market-making.

Others have chosen to remain independent. Baring Brothers, the merchant bank, has decided not to go down the market-making/dealing road. James Lupton, a corporate finance director of Baring, sees the biggest conflict being between market-making and corporate finance rather than with the broking and distribution side of the business.

"There are insuperable conflicts of interest," he says. "The pressure is too great when it is your own money. There could be a temptation to let a vital piece of information slip."

At present, for the purposes of winning new clients, independence is an ideal

effect of preventing dealings in stocks purely because of the conflict of interest caused by the existence of a corporate relationship under the same umbrella.

The bigger houses will be particularly vigilant in order to protect their good name. "We will have to be seen to be observing 110 per cent," says Mr Condren, of Barclays de Zoete Wedd. Not only is he issuing circulars to employees making them aware of the issues but he is also holding a series of surgeries for employees to discuss what they perceive to be the conflicts of interest.

A great deal of attention has been paid to the fortunes of institutional and private clients after Big Bang. Not so much coverage has been given to corporate clients. Shearson Lehman Messel is organizing teach-ins for corporate clients on the technicalities of mar-

ket-making but there are many corporate clients who are uncertain about the usefulness of the changes which deregulation will bring.

In a corporate finance relationship the possibilities of malpractice are considerable. Robert Napier, financial director of Redland, the international building materials group, says: "There could be an accidental nod or wink at the morning prayer meeting."

There is also the possibility of the different parts of the conglomerate finding themselves on opposite sides in a bid. The client would lose out as it would be obliged to seek alternative advice at the 11th hour. This could lead to a trend whereby companies chose independent advisers at the outset.

Mr Napier sees other disadvantages: "In the past, the system worked efficiently. Analysts provided a good flow of information to the market. Now, with the juxtaposition of agents and market-makers, there could be grounds on which to question their motives."

Some regulations in this area look as if they will be surprisingly difficult to enforce.

No doubt based on the analogy that a good winemaker does not recommend a wine which he then fails to stock, the current SIB ruling permits a market-maker to assess the likely demand for the stock and to buy accordingly. The condition is that he does not move the price. The research document will note that the firm is a market-maker and could have adjusted its position to take account of this change of recommendation.

The practical difficulties of acting within these bounds are manifold.

From the point of view of both the corporate client and the institutional investor, the natural response to a discovered conflict of interest which works against his best interest is to take the business elsewhere. As long as clients are reasonably understanding of the difficulties currently facing the City, there is no reason why a *modus vivendi* should not be achieved.

There will be hawks at every corner on the look-out for someone to step over the line. When this happens, as it undoubtedly will, the attendant publicity will probably be much more damaging than the misdemeanour itself.

Alexandra Jackson



Cheers: a straw-hatted greeting with champagne for lunch clients at Sweetings, the famous City eating house

## Take-over Panel's new role

The Take-over Panel, at an early stage of the examination of the new regulatory structures, was invited to apply for statutory backing in the specialized field in which it operates. It declined, preferring to rely on its powers of moral persuasion.

The conduct within the market of parties to take-overs will continue to be regulated outside the statutory regime, or, that is the hope.

Any early indication of the difficulties this approach may create when, late in 1985, the panel issued a consultative circular attempting to find a formula to deal with the problems that may arise in future, when the corporate finance arms of multi-service financial conglomerates, which also own broking, market-making and fund management operations, act on behalf of corporate clients in take-overs.

The essential problem, as the panel saw it, was to define the acceptable moves of behaviour of the broking and market-making divisions and the extent to which they should be regarded as acting in concert with the party which their corporate finance arm is advising.

For the broker, it was suggested that it should be sufficient to require disclosure of all discretionary deals done by a broker associated with a subsidiary to the merchant bank acting in the deal. The market-making arm of the group was thought to present more serious problems.

The panel concluded, after examining

the best current practice in the US, that the only watertight solution would be to regard all dealings on principal account by a market-making arm of the adviser as associate deals.

This would ban all deals above the offer price and require detailed disclosure of all deals. The market-maker's book position would thereby be totally open to its competitors.

There would also be a total ban on the market-maker passing stock from its book to the offerer. The panel conceded that this rigorous approach could have unpredictable consequences for market liquidity.

The intending market-makers greeted the panel's suggestions with dismay. And it appears they may be watered down to allow dealings to continue subject to reporting requirements and to monitoring by the authorities.

This episode was concluded with a virtual surrender by the panel. It has agreed that those conglomerates which act regularly and frequently as corporate finance advisers, market-makers and fund managers may be regarded as having effective "Chinese Walls" in place unless monitoring of these activities proves otherwise.

This sequence of events highlights the panel's anomalous position within the new framework of regulation. The panel owes its authority to the support of 14 business associations within the City.

Most of these will have no regulatory authority within the new regime and will see the bulk of their membership swollen within one or other of the emerging self-regulating organizations (SROs).

Of these, the Stock Exchange, under its existing rules, specifically states that a breach of panel regulations is sufficient cause for disciplinary action.

There is no indication that the Securities and Investment Board will require a similar provision in the rules of SROs or will seek to impose one itself. Without such SIB backing it is easy to see even the Stock Exchange backing away from its overt commitment to the panel under pressure from its newly acquired conglomerate members.

Another factor is that all rules of the SIB and of the SROs are subject to clearance by the Office of Fair Trading on grounds of competition. The OFT may require the reversal of any rule which it finds unduly restrictive unless the organization concerned can show that it is vital for investor protection.

No such scrutiny would apply to rules written by the Take-over Panel although they too might be construed as anti-competitive. The possible restrictions on market-making in take-overs could be regarded in just such a light.

Apart from the pressures arising from the new macho style of conducting take-overs, the panel's position within a regulatory framework, based on statute rather than on consent, could become so anomalous as to be untenable.

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CITY REVOLUTION/11

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The General Electric Company plc. Turnover in year ending 31 March 1986: £3,400,000,000. Source: Annual Report 1986.



Cheers: futures market traders bedecked with badges and stripes take a glass in the open at the Greenhouse

# Small dabblers will face bigger charges

The first spark of Big Bang came from the Office of Fair Trading in the form of an instruction to the City to rid itself of the fixed commission system used by generations of stockbrokers for all share transactions.

In theory it means that from today all commission charges are negotiable. But in practice the only stock market players with negotiating power will be the institutional fund managers employed by insurance companies and pension funds, who manage portfolios worth hundreds of millions of pounds.

The private investor who perhaps looks after a small family portfolio of a few thousand pounds, or who only started dabbling in stocks and shares post-British Telecom, will now be faced with a confusing array of aggressively marketed services - each with a different commission rate.

And, at the end of the day, the small investor will almost certainly end up paying more for the service than in the past. "Big Bang has made us all sit down and cost our services," says one leading stockbroker. "For years the big boys subsidized the smaller players but from now on you will get only what you pay for."

It is estimated that the big boys will be able to reduce their annual commission bills by at least a third. L. Messel, the broker, has even agreed to act for one multi-billion pound institution free of charge. "It is a very, very big client and we hope to be able to make our money on the market-making side," says Mark Cannon-Brookes.

Other institutions will have negotiated a commission rate of around 0.2 per cent, against an average of 0.3 per cent in the past. This means an average saving of £1,000 on a £1 million transaction. The bigger the institution the better the deal it gets.

"It's very hard to lay down hard and fast rules; we're all going to be very much feeling our way," says Hugo Robson, a director of Kleinwort Grieveson.

When the American financial markets went through a similar transitional period - May Day on May 1, 1975 - savings transfers began by cutting institutional commissions by 25 per cent. Within a few weeks the institutions had forced a 60 per cent reduction on the old rate. And private investors eventually ended up paying 25 per cent more.

Despite a few early optimistic forecasts that Big Bang will mean cheaper share dealing for all, the British securities world is likely to follow a similar pattern.

Most stockbroking firms say they will continue with the existing commission structure for private clients "for the time being". That is, 1.65 per cent on transactions worth up to £7,000; 0.55 per cent on the next £3,000; and 0.5 per cent on anything over £15,000 and up to £30,000.

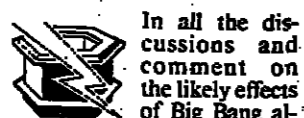
Minimum charges of between £5 and £25, depending on the broking firm, are being maintained and even increased so the commission rate being paid by small shareholders will, in percentage terms, be very much higher. If you get the minimum non-priority £200 allocation of TSB shares you could pay up to 12.5 per cent commission if you sell.

The emergence of the "no frills" telephone share-dealing service now being offered by several City firms is the only method by which share dealing for private investors will be markedly cheaper.

All you need before you deal is an identity card from your chosen firm which is issued as soon as your bank, or some other referee, vouches that you are credit-worthy. But you have to know exactly what you want to buy or sell because there won't be anyone at the end of the phone to give advice.

# The forgotten companies

John Hollis reports on how today's big changes in the way the City operates will affect the listed companies



In all the discussions and comment on the likely effects of Big Bang almost no attention has been paid to the effect on companies whose shares are traded in the market.

The City and the financial press have shown themselves in their most introspective light. In Parliamentary debates the focus has been on the City and on its relationship with the investing public.

This is odd. While it is possible, at least in theory, to have a stock exchange trading system without brokers or other intermediaries, a stock exchange without listed shares is inconceivable.

A non-financial company whose shares are publicly traded is a direct customer of the market in two capacities: as an issuer of new shares, whether by an initial flotation or by a subsequent secondary issue, and as an investor in securities other than its own, either on its own account or for its pension fund account.

Listed companies also have an obvious concern in the public perception of their performance as reflected in their share price and in comment by analysts and by the financial press.

These factors can affect a company's cost of raising new capital and will have a bearing on its position should it become involved in a takeover. They are also a reflection of the public view of the quality of a company's management.

Where companies use the market as investors, whether for their own account or an account of their pension funds

or other administered funds, their position will be no different to that of other substantial investors.

The conflicts of interest inherent in the new multi-capacity groupings, which are likely to work generally to the advantage of issuers of shares rather than the buyers, may require caution on the part of investors.

So far as new issues are concerned the underlying presumption in the government's White Paper was that law and practice relating to the issue of shares will remain substantially unchanged. The Financial Services Bill substantially confirms this impression, vesting authority in this key area of investor protection in the council of the Stock Exchange.

The development of multi-functional investment houses on US lines and the barely concealed ambition of some American houses to make their mark in UK corporate finance may bring marked changes in practice.

In Britain in the past the standard method of distributing the securities of companies not previously listed has been by the offer for sale. Application forms are made widely available by newspaper advertisements and through the issuing bank and broker. Effectively this system bypasses the market machinery in the initial distribution.

Similarly, the established British system for issuing subsequent tranches of shares for cash is that of the "rights" issue. The company issues subscription forms direct to its current shareholders in amounts proportional to their existing stakes.

In both cases the issue is generally, though not invariably, underwritten by institutional and other investors who, for a fee, take up shares not absorbed by the public. British underwriters are essentially guarantors.

Quite a different system operates in the US, Canada and Japan. There a selling syndicate of investment banks or one house acting alone bids for the entire issue on its own account and then distributes the shares to its own clientele and to the market. To confuse the issue, this operation is also known as "underwriting".

For companies seeking listing either for the first time or for additional shares there are obvious short-term advantages in moving to the US procedure. In the longer term, a system of syndicated sales of new issues may tend to concentrate distribution power in

the hands of relatively few conglomerate groupings to the detriment of existing relationships with corporate finance advisers.

This of course is exactly what the American invaders hope will happen. Investor perception of a company is generally influenced by analysts' opinions which are often given wider currency through the financial press. Corporate and product public relations and advertising plays a part. The new structure of the securities industry will introduce certain new factors into the equation.

Brokers who have hitherto regarded research as a shop window to attract business may find this exercise too expensive when it can no longer be subsidised by fixed rate commissions. Alternatively, if a direct or indirect charge is made for research brokers may be less ready to publicise and distribute research other than to paying clients.

Research by brokers and other institutions may be viewed with suspicion if the originators are known or suspected to have positions in the stock recommended. There may be a growth of a

new class of self-proclaimed independent investment research boutiques who give advice but do not themselves deal in the market. These will seek to obtain remuneration from fees based on the value of sums under management with performance bonuses. They too will be reluctant to publicise their recommendations outside their clientele.

Perhaps more influential in moving stock than analysts' recommendations may be the activities of the army of retail salesmen employed by the big US "wire-houses" and the Japanese securities houses. This factor is most noticeable when the broker has taken up stock as underwriter (US style) of a primary or secondary new issue.

Retail salesmen may be offered special internal rates of commission-share when big lines of stock have to be moved in a hurry. This practice could obviously be prejudicial to the firm's retail customers but, if anything, works to the advantage of the company whose shares are being promoted.

There is no evidence yet that any of the new UK groupings are planning to establish retail networks. A possible development under the new system is the emergence of a class of investment consultants and research boutiques who sell investment advice or investment management services but who will not themselves be dealers in securities.

To the extent that the changes in London market structures lead to growing investment interest across national boundaries, companies on the one hand will find a wider potential market for their shares, while on the other they will face competition from major international companies for investor and analysts' attention. All of them will be looking for a broad shareholder base with strong institutional participation and a highly liquid market in their shares.

Outside this charmed circle many of the present UK listed companies will be relegated to a second or third tier of importance and be of purely national or even local significance. Some companies may feel more comfortable in such a position; others may desire to attain the top rank.

To the extent also that brokers and other originators of research may be less willing to share their findings with the financial press, companies who are outside the top group and who wish to secure press coverage of their activities and prospects will have to find new ways of communicating with financial journalists. They will no longer be able to rely on analysts alone to spread their message.

## Just what the US invaders want

Investor perception of a company is generally influenced by analysts' opinions which are often given wider currency through the financial press. Corporate and product public relations and advertising plays a part. The new structure of the securities industry will introduce certain new factors into the equation.

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# Campaigning in the country

The National Investment Group is made up of seven country brokers, three of whom are in the South-West, one each in Bristol, south Wales and Birmingham. The seventh, Harrison & Co, has a chain of offices in Lancashire and Yorkshire. They cover 16 towns outside London.

In this case the institutional backing comes from Royal Insurance and the connection to the central market through a stake held by Smith New Court, the only big London jobber that is not wholly owned by an institution outside the Stock Exchange.

Again, Smith New Court will be a source of research information to its country associates. Relations between the seven country firms and Smith New Court's core market-making activity will be particularly close. Smith New Court's overseas dealing offices will give direct access to international markets.

A few larger country firms have sought institutional backing on their own account, without federating with others. Notable among them are Stock Bech (Bristol). They

(Liverpool) and Bell Lawrie MacGregor (Edinburgh). Others have joined groups centred on institutions which have also acquired London brokers. One firm, A.H. Cobbold (Winchester and Southampton) has been taken over by an Australian broker, in which Elders IXL owns a 50 per cent stake.

Among the bigger London brokers the stress is more, though not exclusively, on discretionary portfolio management schemes. Most are taking elaborate pains to insulate this part of their business from their market-making and corporate finance activities.

Kleinwort Grieveson Investment Management, for example, is careful to point out that it will look to outside sources for research, and to its parent company's research department. It will also be free to place orders anywhere in the market.

Some brokers are offering instant execution services to selected private clients. At Phillips & Drew this is coupled with a personal banking service not unlike the cash-

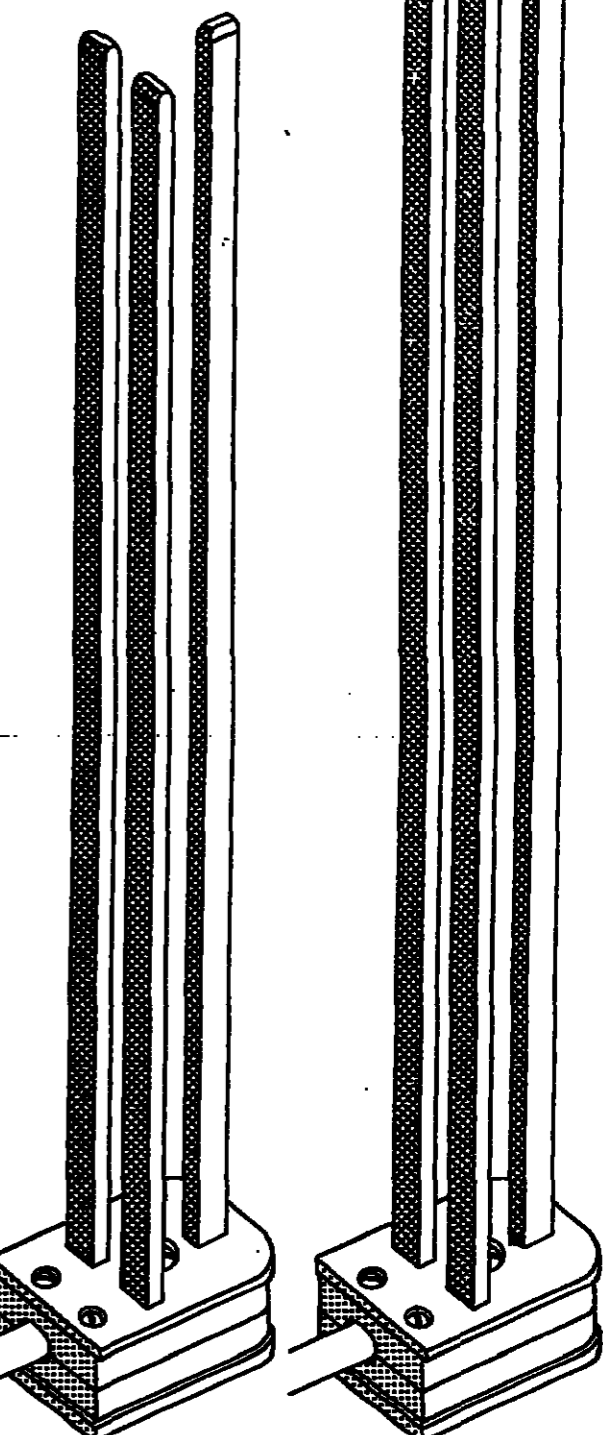
management accounts pioneered by Merrill Lynch in the US. Others offering "dealer-call" or "share-call" services include Kleinwort Grieveson and Hoare Govett.

Another major channel for private client dealings in the past has been bank branches throughout the country. Here there are likely to be huge changes.

All the top English and Scottish clearing banks, with the exception of the TSB and Lloyds, have formed groups embracing stockbrokers and jobbers. Lloyds has set up its own in-house brokerage and market-making operation. The TSB, through its unit-trust operation, is already one of Britain's biggest fund managers.

Of all the participants in the new market, the big clearing banks are the most obviously equipped to set up country wide share-retailing operations on the US wire-house model. The problem, now as in the past, is to improve the flow of market information and investment advice to the branch manager's office. John Hollis

THORN EMI  
Turnover in year ending 31 March 1986: £3,310,500,000. Source: Annual Report 1986.



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\*Source: Planned Savings, offer to bid to 1 October 1986 (net income reinvested).

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# WHAT BIG BANG?

Big Bang on October 27th is heralded as the biggest revolution in the 'City' in over two hundred years. But what will it mean to the private investor? Will it make investment for the individual easier or more difficult,

cheaper or more expensive? Or will it just make the existing financial institutions even larger and more unapproachable? To find out how you will be affected, send today for a free copy of our booklet 'Big Bang and the Private Investor.'

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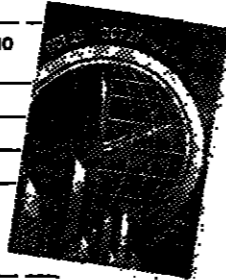
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## Murmurs of protest on the road to the glittering new world



The progress towards Big Bang during the last three years has not always been smooth. Voices of dissent have been raised warning of disaster ahead. The dissenters have been few and their prognostications have been mostly ignored. They are now quietly resigned to making the best of a bad job. Chief among the critics has been David Hopkinson, deputy chairman and managing director of M&G, the unit-trust group. He will be retiring early next year and is glad to be quitting the new-look City. He said this month that he was no more reconciled to the changes now than in the past and added: "Roll on retirement."

Mr Hopkinson raised his voice early and has kept up the protests relentlessly. Early in 1984 he attacked the formation of financial conglomerates and stressed his strong intention to keep M&G independent. That intention remains firm as the main shareholder, Kleinwort Benson, prepares to sell the bulk of its 42 per cent stake in M&G. Mr Hopkinson would like to see the shares spread as widely as possible, especially among M&G clients.

His original complaints included the abolition of single capacity causing a proliferation of conflicts of interest; the problem of preserving an adequate market in smaller stocks; increased opportunities for corruption resulting from negotiated commissions and dual capacity, and the dangers posed by a bear market when firms go to the wall and investors get hurt.

M&G has remained the moral conscience of the City. Letters to Sir Nicholas Goodison, chairman of the Stock Exchange, warned of the

"substantial risks of overtrading" created in the new environment. Mr Hopkinson called for a halt to the "hurried changes" in the rules relating to the maximum stake allowed to be held by outsiders in Stock Exchange member firms.

He has also been a critic of the Financial Services Bill; he does not believe that self-regulating organizations can carry out an adequate job of investor protection. The importation of American practices has disturbed him because he believes attitudes in the US are totally different. The all-pervading rule of *caveat emptor*, combined with the power of the Securities and Exchange Commission, compare with a lack of understanding of *caveat emptor* in Britain and lack of a government protecting body.

Though Mr Hopkinson was the first of the dissenters to speak out, have followed with varying degrees of force.

Geoffrey Musson, investment manager of the Merchant Navy Officers' Pension Fund, regrets the all-pervading and invading effect the new technology has had on the attitudes of British stockbrokers. The client relationship has been disturbed, he says.

He fears the new technology, which has been given such a stimulus by Big Bang, though it would have come anyway, could undermine human relationships. The hold of new technology and systems has created some annoying attitudes. Mr Musson tells the story of two brokers who came to tell him the basis on which they were prepared to deal with the pension fund after Big Bang.

Big Bang was supposed to be all about the improved chances of the large client in reducing commission rates and getting a better price deal,

rather than being dictated to by brokers.

Now there is talk, which Mr Musson dismisses as rubbish, that those funds which try to squeeze stockbrokers too hard will be put at the bottom of the list. He believes that those who can give quick answers will always command service.

He says: "The role of the actual practitioner has been diminished." More computer people, compliance people and administrators are rising in the ranks of financial conglomerates and regulatory bodies, relegating the practitioners of the businesses that are being regulated.

The vast scope of the Financial Services Bill has created a clumsy and complicated structure, which might well be comprehensible to the wizards at the Securities and Investments

### 6 The role of the actual practitioner has been diminished?

Board but is not to most people. Mr Musson says. He dismisses some of the rules as plain silly.

The rule on accepting gifts, and when they might be considered to represent bribes, is singled out for vilification. A bottle of Chivas Regal, according to the SIB, could have connotations in Exeter different from it might have in Hong Kong. Hotel expenses in Bali are similarly raised as an example.

He is sympathetic to the thought behind the rule, but, Mr Musson says, such rules end up being laughed at. The difficulty is that the new rules are setting out to be all-encompassing, whereas most law evolves.

The fears of Mr Hopkinson and Mr Musson have often found sympathetic echoes north of the border. The distance of Charlotte Square, Edinburgh, from Throgmorton Street, London may have created a different perspective.

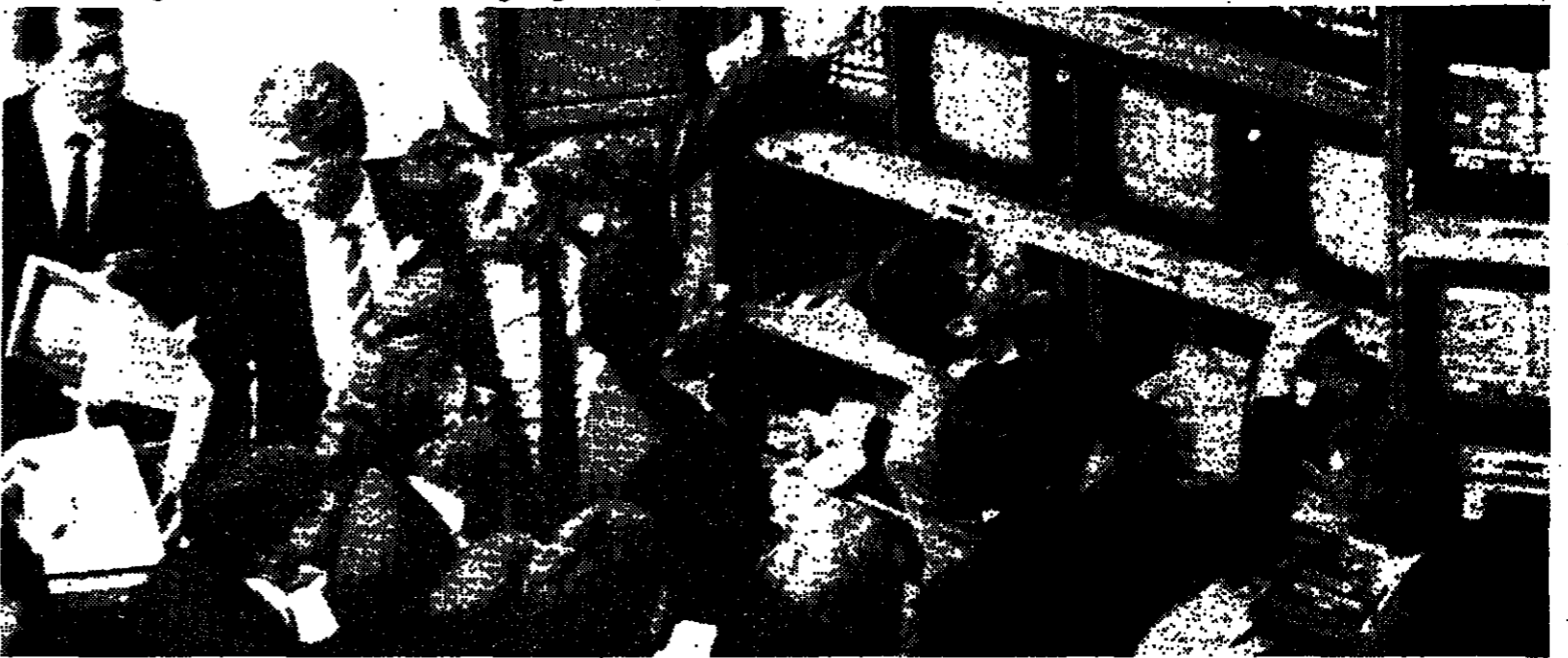
Angus Grossart, managing director of the merchant bank Noble Grossart, has been outspoken in his dislike of merger mania. He believes that the drive to be internationally competitive has created a potential danger that too great an emphasis will be placed on the need for capital.

"In order to service that increased capital, there is likely to be limited scope for increased profits at lower margins. This may lead to the deployment of much of the new capital in higher risk forms, such as taking major trading positions or by buying underwriting businesses," he said at a conference two years ago.

The Scottish financial community is occasionally seen to be at odds with the London community. The recent furore over the changed board structure at Guinness was often portrayed as a Scottish-English split, although the Scottish institutions opposed to Guinness saw the issue as a straightforward moral one of keeping promises.

Greame Knox of Scottish Amicable, an arch-opponent of Guinness, expressed not only his doubts about Guinness's behaviour, but also the lack of resolution by the regulatory bodies which could and should have intervened more strongly. He believes that if Guinness is allowed to break promises made in takeover bids, the outlook for self-regulation and investor protection in the more competitive world after Big Bang is bleak.

AE



Dealing on the Stock Exchange will be irrevocably changed, but there are predictions of risks of overtrading

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The City and Corporate Communicators

## Labour factor clouds the market excitement

Many factors will affect the way in which the Stock Market develops over the next decade. It is already evident that an important short-term influence will be the timing and result of the next election.

This may tend to exaggerate trends whose underlying causes lie in the new market structure themselves. A weak market will open up the cracks and weaknesses in the market system and hasten the decline of the weaker operators within it.

A Labour victory would stop further privatizations and an attempt would be made to return at least some of the major enterprises already privatized to "social ownership". It appears, that the actual machinery proposed for carrying out this exercise may be the exchange of the shares issued for another form of marketable paper, something akin to French *titres participatifs*. These have many of the characteristics of shares, including a profit-related return but exclude the right to vote. If this were the method adopted, there would still be a large number of individual holders of marketable paper.

To that extent the direct effect of renationalization on the stock market would be mitigated.

The conventional wisdom is that the survivors among stock-market firms will be the giants who have substantial capital resources and can afford the massive investment in people and hardware to play the 24-hour global trading game. If British companies accept the style of corporate-financial management and investment-banking methods current in the US, the trend towards gigantism will be especially evident in the field of corporate finance.

There will be room for the small specialist firm with a reputation for expertise in a particular niche. Service to private clients, specialist research, a strong presence in a particular geographical area, dealing skills in secondary investment instruments like futures and options, are all areas where small to medium-size firms may make a profitable livelihood.

The type of firm most at risk is the medium-size generalist which tries to ape the style of the giants while lacking their resources.

This conventional wisdom relies on the assumption that the giants themselves will not crumble under the weight of their own internal contradic-

tions and cultural conflicts. It also assumes that they can develop a quality of management capable of running giant multinational businesses.

In America the record is not good. There is hardly a single big US investment house which has not experienced debacles and boardroom mayhem on a grand scale over the last decade. It may be right to conclude that the race will be won over the next 10 years in London by giant firms—but it may be wrong to assume that these will be the same giant firms which started the race this morning.

Under the new regime, where stock-market firms now are owned by and rely on the financial strength of outside entities, the point of weakness could be not the subsidiary but the parent.

The situation could arise where a London Stock Exchange Member is brought down by the collapse of its parent. If an overseas bank or investment house runs into trouble, one of the first points for retrenchment could well be its capital-hungry stock-market affiliate in another country.

In this connection it is striking that there are still potential big players who have made little or no move to join the game. Notable among these are the leading West

German universal banks and the Japanese banks and investment houses.

Some of the new parents, notably the Europeans, seem content to allow the former partners or directors of their affiliates a relatively free hand in running the stock-market business. It is noticeable that Phillips & Drew continues to use its own name in all statements, with little reference to its Swiss parents. Much the same is true of James Capel.

The Americans and the British banks, both clearer and merchant banks, seem more inclined to want to adopt a hands-on style and to

### An elite group of companies is likely to emerge

emphasize the role of the entire group, rather than to allow the stock-market entity to maintain a clearly separate identity.

The changes in London are far more radical than in New York in 1975. There brokers and investment dealers had operated already for many years in dual capacity under quasi-statutory supervision. The only change on Mayday was the abolition of the commission cartel.

More important than the changes within the industry are those affecting its customers, notably the companies whose shares are listed. Here the main factor is not the structural and jurisdictional changes within the market but the growing internationalization of securities dealings, to which the market changes are in part a response.

There is likely to emerge an elite group of 1,000 to 1,500 international companies whose shares command worldwide attention. Some will be companies such as Nestlé, HongKong & Shanghai Bank, and several Scandinavian companies which have outgrown their local capital markets. Others such as Elders DXL and other Australian and Canadian companies have similarly outgrown the capacity of their domestic economy if they want to grow further.

Most will be classed as international companies because for reasons of size, importance, or less commonly, because of a unique product speciality, they have attracted worldwide investor interest.

Of these international companies perhaps not more than 250 at most will be British. The corollary is that even within the domestic stock

market many others will be automatically relegated to a second or even third tier of importance. Indeed the structure of the new SEAI information system admits as much.

There is a limit to the number of screens any one man can monitor. No broker's dealer will be able to watch more than a limited selection of specialties over and above the leaders.

A broker's research effort that is no longer subsidized by fixed commissions will also be driven to concentrate on those companies where the opportunity to generate business is greatest.

And what of the clients and customers who deal in the market? For the institutions, the new regime will introduce a range of problems. Almost all will themselves have to seek authorization under the new legislation and for some such as the life-assurance companies, the new rules may force major changes in the way they deal with their ultimate customers, the public.

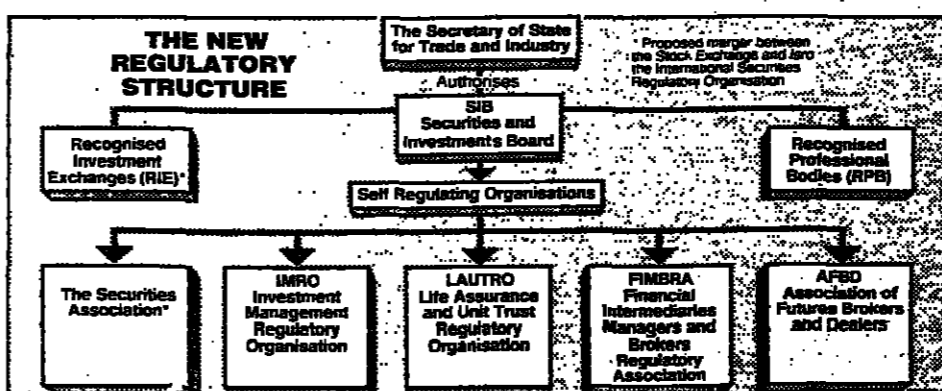
The changes in the market for retail financial products may be as great, if not greater, than those in the central stock market itself.

Of all the participants the least likely to be materially affected, for better or for worse, is the individual private investor. This is ironic when one considers that the whole elaborate structure of new regulation has supposedly been designed for his or her benefit.

So far as the stock market is concerned, which is the only market directly affected by today's changes, he is likely to find at worst a marginal increase in the cost of dealing. Many more people will be competing for the favour of his customer but offering him a narrower and less personalized service. In the name of his own protection he will be required to contribute to the dusty files of customer agreement letters.

In other ways, provided he employed a reliable and conscientious broker in the past his position will be little changed at the start. In two to five years' time when automatic order handling device start appearing in his local branch and perhaps even in the street outside beside the cash card machine things may start to look a little different.

### From top to bottom: the new structure



This Special Report was written by John Bell, city editor; Alison Eadie, assistant city editor; Richard Thomson, banking correspondent; Lawrence Lever, Richard Lander, Cliff Feltham, Alexandra Jackson and Carol Leonard, city reporters; John Hollis, who is a director of Dewe Rogerson, is expressing his own views

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RACING: PULBOROUGH TEAM CAN EXTEND WINNING RUN WITH TWO-YEAR-OLD DOUBLE AT NEWCASTLE

Fu Lu Shou ready to recoup losses

By Mandarín (Michael Phillips)

While conceding that making excuses for beaten horses can often prove expensive, I do feel that following that costly failure in the Colonic Junior Nursery at Hamilton eight days ago, Fu Lu Shou should be backed to retrieve losses in the Brightelmstone Nursery at Brighton today, and he is my nap.

After being beaten three-quarters of a length by Lindsay Chernock in the Secret, Fu Lu Shou's jockey, Tyrone Williams, had a tale of woe to tell his trainer, Patrick Haslam.

This was ratified later by experienced race readers present who reported that Fu Lu Shou lost a good position early on when he had to be snatched up to avoid some scorching.

Williams rightly gave him plenty of time to recover and get balanced again but when he did produce him with what looked like a winning run two furlongs from home he was again hampered badly.

Getting full marks for perseverance, he then switched to the outside of a bigish field but the winning post came just too soon. And unlucky was the unanimous verdict.

Faced by only six opponents this afternoon, it will be surprising if he does not enjoy a better run this time. For one by the sprinter Godswalk Fu Lu Shou starts remarkably well. This can be attributed to the influence of his dam, the Reliance mare Parlican, who had some useful form over a mile and a half in France. So today's distance of a mile will pose no problem for Fu Lu Shou, who might well be described as a winner without a penalty.

Otherwise at Brighton it should pay to back Chorizto (2.15) and Inshad (4.15) to win their respective races although their prices are unlikely to be particularly appealing. However, coupled in a double to win the two divisions of the EBF Sompting



Ichnusa, seen here beating Slean at Doncaster, carries her penalty in today's Newcastle University Turf Club Stakes

Maiden Stakes they should pay better.

Following three successive seconds, Chorizto deserves better luck in the first division. She was clearly up against it when faced by Scimitarra at Goodwood a week ago.

Inshad, a 180,000 guineas yearling by Indian King, ran well enough in the race won by Greenacres Hill at Goodwood last month to suggest that she has the other division at her mercy.

Following his great triumph in Paris on Sunday with Dancing Brave Guy Harwood is again casting his net far afield. This should take in two prizes at Newcastle this afternoon, thanks to the efforts of Greville Starkey on Zarbey (2.15) and Old Maestro (4.45).

Zarbey, my selection for the EBF Polwarth Maiden Stakes, has been placed at Ascot and Newmarket already. His opposition this afternoon does not appear to amount to much. Likewise, Old Maestro has a favourite's chance of winning the EBF Princess Maiden Stakes following that narrow defeat by Faiiug at Brighton.

Steve Cauthen will also be at Gosforth Park this afternoon and I envisage him landing a double on Indian Orator (3.45) and Bolero Magic (4.15). I particularly like the chance of the latter who was finishing like an express train at Yarmouth last time when beaten only half a length by Saker.

At Wolverhampton Peter's Blue, who like my nap has graduated from sellers to nursery, looks poised to win his fourth prize in a row in the Staffordshire Nursery.

Later in the afternoon I fancy Michael Dickinson's chance of winning another race for Robert Sangster, this time with Fairy Gold.

My selection, who will be ridden by Brent Thompson, is a beautifully bred filly by Golden Fleecy out of the dam of their promising young stallion What a Guest and Infantry, who has excelled racing in the United States.

Fairy Gold shaped like a stayer when I saw her finish fourth first time out in the race won by Brave Dancer at Salisbury. So a mile and a furlong, the distance of today's race, should prove no problem.

Blinkered first time BRIGHTON: 2.15 (M) 13 to 15 to 17 to 19 to 21 to 23 to 25 to 27 to 29 to 31 to 33 to 35 to 37 to 39 to 41 to 43 to 45 to 47 to 49 to 51 to 53 to 55 to 57 to 59 to 61 to 63 to 65 to 67 to 69 to 71 to 73 to 75 to 77 to 79 to 81 to 83 to 85 to 87 to 89 to 91 to 93 to 95 to 97 to 99 to 101 to 103 to 105 to 107 to 109 to 111 to 113 to 115 to 117 to 119 to 121 to 123 to 125 to 127 to 129 to 131 to 133 to 135 to 137 to 139 to 141 to 143 to 145 to 147 to 149 to 151 to 153 to 155 to 157 to 159 to 161 to 163 to 165 to 167 to 169 to 171 to 173 to 175 to 177 to 179 to 181 to 183 to 185 to 187 to 189 to 191 to 193 to 195 to 197 to 199 to 201 to 203 to 205 to 207 to 209 to 211 to 213 to 215 to 217 to 219 to 221 to 223 to 225 to 227 to 229 to 231 to 233 to 235 to 237 to 239 to 241 to 243 to 245 to 247 to 249 to 251 to 253 to 255 to 257 to 259 to 261 to 263 to 265 to 267 to 269 to 271 to 273 to 275 to 277 to 279 to 281 to 283 to 285 to 287 to 289 to 291 to 293 to 295 to 297 to 299 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RACING British raiders triumph in France

From Our French Correspondent, Paris

British raiders dominated the season's final programme at Longchamp yesterday, when Sarah and El Cuite carried off the two group one races at attractive odds.

Steve Caution rode El Cuite, trained by Henry Cecil, to a neck win in the Prix Royal-Oak from Akaso, with Vaubable Witness and Aborola a short-neck and a neck behind.

El Cuite led inside the final furlong and had taken a hold on the race before the runner-up Valuable Witness and Aborola.

The Jeremy Tree-trained Valuable Witness, a reluctant leader under Pat Eddery, was headed by Faburoia with one and a half furlongs to run but stayed on courageously.

Henry Cecil initially wanted El Cuite, who will stay in training next year, to run in the Irish St Leger, but the Vagabond Noble colt's owner, Sheikh Mohammed, already had I Want To Be and the subsequent winner, Authal, lined up for next year.

Rejuvenate and Ore, the other British runners, filled the last two places.

The Paul Cole-trained Sarah got one success when beating Richard Quinn's head in the head in Prix de la Forêt Whakilyrie, who made much of the running, finished two lengths back in third.

Sarah, running for the last time, was winner of the 14th of his 33 races, the horse, who cost Paul Cole only 12,200 gns as a yearling, will stand at the Crabbie Stud in Ireland.

Risk Me, who racing with third-placed Whakilyrie as one of two juveniles in the race, is French-bred and so earns a bonus for his owner each time he finishes in the money in the Longchamp for the Poule d'Essai des Poulains next spring.

After Reference Point's Doncaster win, Mulhollande, trained by Paul Cole, looked a winner of the 12th of his 14 races, the 20-1 chance, got first run on Philip Waldron's mount, who had previously been second to Reference Point at Sandown, and won the Laidlaw Cup with Final Moment.

Riad Hannon, the Marlborough, runs Landylux at Leopardstown today.

Leaders on the Flat

Table with columns for Trainers and Jockeys, listing names and statistics.

Saturday's results

Table with columns for Race, Winner, Odds, and other details.

TENNIS Graf secures victory with relentless pressure

By Rex Bellamy, Tennis Correspondent

Steffi Graf, aged 17, won a British tournament for the first time by beating Catarina Lindqvist 6-3, 6-3. In the Pretty Polly final at the Brighton Centre yesterday for a prize of about £25,000.

In seven months she has won eight tournaments and has beaten every other leading player. "What I've achieved this year is unbelievable," she said yesterday.

Miss Lindqvist had four match points against Martina Navratilova in Stuttgart a week earlier but never had much of a chance yesterday.

Martina has a good serve and "but it's easier to rally with her because her ground strokes don't put you under as much pressure as Steffi's do. Playing Steffi was harder."

"I didn't have as much time as usual. On the forehand, Steffi hits harder than Martina or Chris Lloyd, and I don't like her sliced backhand either."

Predictable though its outcome became, the match was a charming advertisement for women's tennis. Its quality was consistently high until the relentless stress produced an increasing proportion of errors from Miss Lindqvist.

That stress was imposed by the persistent accuracy with which Miss Graf hit hard to a full length. She was also the taller of the two and had the more taxing service. Quick forework helped her to do with her exemplary timing evident in both the pace and precision of her shots.

How refreshing it was to see two women using the one-handed backhand fluently and flexibly, hitting either under or over it. That should be a lesson to the two-handed legion of Lloyd clones.

Miss Graf has the most forward in women's tennis but Miss Lindqvist has the most gracefully backhand.

Both players also moved well (with Miss Graf slightly the faster), took the ball early, and were tactically quick-witted. Until Miss Lindqvist's powers of resistance were eroded, as both players insisted on winning points, rather than waiting for their opponent to lose them.

From 1-2 down, Miss Graf won four consecutive games. In the second set Miss Graf's growing supremacy was challenged when Miss Lindqvist recovered from 0-4 to 3-4.

But the Swede was to score only two more points. In the last game, two backhand errors by Miss Lindqvist and two forehand winners by Miss Graf indicated that the Swede's strength had been impaired but the German's had not.

In the doubles final, Miss Graf had another success when she and Helena Sukova beat Tine Scheuer-Larsen and Catherine Tanvier 6-4, 6-4. That raised Miss Graf's prize money at the tournament to almost £32,000; she wants to ensure that her six-year-old dog, Ben, will never have to do with anything but the best dog food.

RESULTS: Pretty Polly Classic, Brighton Centre, Brighton, Sussex. Graf (FR) 6-3, 6-3 Lindqvist (SWE). Graf (FR) 6-4, 6-4 Tanvier (FR) & Scheuer-Larsen (DEN) 4-6, 4-6 Sukova (CZE) & Graf (FR) 6-4, 6-4.

McNulty wins as Lyle loses hope

From Mitchell Platts, Quinta do Lago

Mark McNulty, 67, Zimbabwean, yesterday won the Portuguese Open here as Sandy Lyle stuttered to another depressing finish.

The money he would have won from 15 bets for another 100-1 shot at the second in an electrifying start which launched an outward half of 32. He was never under any serious pressure as Lyle's hopes nosedived from the moment he was over the lip of the bunker at the first hole.

Lyle had been hoping to end his season with a victory. Failure means that for the first time since 1978, which was his first full year on the professional tour, Lyle has not won in Europe.

McNulty holied from 40 feet at the first for an opening birdie. He then secured the lead at the second in an electrifying start which launched an outward half of 32.

Afterwards, McNulty dedicated his victory to the leading South African golfer, Adrian Frederick, who was seriously injured in a car accident four weeks ago. "Adrian is a very good friend of mine and of the game of golf," said McNulty.



Going down: Australia's Cleal disposes of Gill (Photograph: Ian Stewart)

CRICKET West Indies retain control

From Richard Street, Faisalabad

Pakistan seemed to have bowled themselves back into the first Test match here yesterday when they restricted West Indies to a lead of 89 runs during an absorbing second day.

In the closing 50 minutes, though, West Indies captured two wickets and they remain in the box seat.

Wasim Akram, with an inspired spell of fast, left-arm bowling, took three wickets in five balls to end the West Indian innings in a rush. Three fine catches were taken by Salim Yousof, the wicketkeeper, to help Akram finish with six for 91, his best Test analysis.

With Richards ill and forced to drop down the order, the West Indies batting seemed unable to find the proper gear. Gomes, whose contribution so often gets overlooked, provided a measure of ballast through 41 overs, but Pakistan's attack never lost its accuracy or threat, as West Indies were dismissed for 248.

There was never any devilment in the pitch to help bowlers, just as there had not been on Friday when Pakistan collapsed so badly. The pitch has little pace and afforded only slow turn for the spinners.

Everyone's batting problems and the players I have talked to occur — remain slightly mystifying. It has, however, been a tense, gritty and highly entertaining afternoon's play, unlikely to run its full distance.

Imran had only four main bowlers to use and at one point his leg-spinner, Qadir, was limping temporarily after he turned an ankle. Imran kept himself or Akram going at one end and bowled Qadir or Tausif at the other.

Akram's dangerous away swing was a revelation to anyone seeing him for the first time. Qadir claimed Gomes's scalp but it was Tausif's off-break, which kept West Indies under a crucial time. He began with the wickets of Richardson and Dujon with successive balls and went on to vary his flight and spin with unblemished skill throughout a long spell.

West Indies have resumed after yesterday's rest day at 11 for one and there was little in the first hour to prepare the way for the tight control the Pakistan bowlers later established. Immediately after a drinks break, Imran had Haynes on edge before, as the batsman, half forward, tried to steer the ball to mid-wicket. Tausif brought the crowd to their feet when he dismissed Richardson and Dujon with the fourth and fifth balls of his second over.

After lunch Gomes and Maria Bengtsson 15-5, 15-11. There was a little consolation for the British when Billy Gilliland of Scotland and Nora Perry of England came from a game and 4-13 down to beat South Africa's Jan-Zeyl, 12-15, 17-15, 17-14.

RESULTS: Men's singles: Final, Frost (GB) 15-11, 15-11; 1st Round, Frost (GB) 15-11, 15-11; 2nd Round, Frost (GB) 15-11, 15-11; 3rd Round, Frost (GB) 15-11, 15-11; 4th Round, Frost (GB) 15-11, 15-11; 5th Round, Frost (GB) 15-11, 15-11; 6th Round, Frost (GB) 15-11, 15-11; 7th Round, Frost (GB) 15-11, 15-11; 8th Round, Frost (GB) 15-11, 15-11; 9th Round, Frost (GB) 15-11, 15-11; 10th Round, Frost (GB) 15-11, 15-11; 11th Round, Frost (GB) 15-11, 15-11; 12th Round, Frost (GB) 15-11, 15-11; 13th Round, Frost (GB) 15-11, 15-11; 14th Round, Frost (GB) 15-11, 15-11; 15th Round, Frost (GB) 15-11, 15-11; 16th Round, Frost (GB) 15-11, 15-11; 17th Round, Frost (GB) 15-11, 15-11; 18th Round, Frost (GB) 15-11, 15-11; 19th Round, Frost (GB) 15-11, 15-11; 20th Round, Frost (GB) 15-11, 15-11; 21st Round, Frost (GB) 15-11, 15-11; 22nd Round, Frost (GB) 15-11, 15-11; 23rd Round, Frost (GB) 15-11, 15-11; 24th Round, Frost (GB) 15-11, 15-11; 25th Round, Frost (GB) 15-11, 15-11; 26th Round, Frost (GB) 15-11, 15-11; 27th Round, Frost (GB) 15-11, 15-11; 28th Round, Frost (GB) 15-11, 15-11; 29th Round, Frost (GB) 15-11, 15-11; 30th Round, Frost (GB) 15-11, 15-11; 31st Round, Frost (GB) 15-11, 15-11; 32nd Round, Frost (GB) 15-11, 15-11; 33rd Round, Frost (GB) 15-11, 15-11; 34th Round, Frost (GB) 15-11, 15-11; 35th Round, Frost (GB) 15-11, 15-11; 36th Round, Frost (GB) 15-11, 15-11; 37th Round, Frost (GB) 15-11, 15-11; 38th Round, Frost (GB) 15-11, 15-11; 39th Round, Frost (GB) 15-11, 15-11; 40th Round, Frost (GB) 15-11, 15-11; 41st Round, Frost (GB) 15-11, 15-11; 42nd Round, Frost (GB) 15-11, 15-11; 43rd Round, Frost (GB) 15-11, 15-11; 44th Round, Frost (GB) 15-11, 15-11; 45th Round, Frost (GB) 15-11, 15-11; 46th Round, Frost (GB) 15-11, 15-11; 47th Round, Frost (GB) 15-11, 15-11; 48th Round, Frost (GB) 15-11, 15-11; 49th Round, Frost (GB) 15-11, 15-11; 50th Round, Frost (GB) 15-11, 15-11; 51st Round, Frost (GB) 15-11, 15-11; 52nd Round, Frost (GB) 15-11, 15-11; 53rd Round, Frost (GB) 15-11, 15-11; 54th Round, Frost (GB) 15-11, 15-11; 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TELEVISION AND RADIO

Edited by Peter Dear and Christopher Davalle

A long day's journey to take us into night

Today sees the start of the BBC's extended daytime television service which will provide, for the first time, programmes from breakfast-time to late evening without all those annoying gaps.

repeats of comedy, drama and documentaries, today including The Oesdia Line (BBC1, 2.30pm). But there will also be a new, daily soap: Neighbours (BBC1, 1.25pm), repeated the following day at 10am.

Treasure Houses of Britain (BBC2, 4.30pm) is the first of three documentaries made originally for America's public broadcasting service, to coincide with last year's

CHOICE stunning Treasure Houses of Britain exhibition in Washington. John Julius Norwich presents this potted history of the English house, with the backing of a distinguished production team whose previous credits include Civilisation, Royal Heritage and Monitor. Parts two and three will be shown tomorrow and on Wednesday.

The Fools on the Hill (BBC2, 9.30pm) is Jack Rosenthal's affectionate tribute to the early, experimental days of BBC Television at Alexandra Palace in 1936. He has based his play on the anecdotes of

people who worked there, interwoven with a boy-meets-girls story. It's a gentle, leisurely piece filmed with loving attention to both period and technical detail.

Paradise Postponed (ITV, 9pm) reaches episode seven and Christmas 1969. The Rev Simeon Simcox has a house full of friends and relations, and finds that some bedroom-swapping has been going on when he sets off on his rounds as Father Christmas.

That odd, not entirely successful but rather endearing sitcom, Chance in a Million (C4, 8.30pm) returns for its third series. Simon Callow, as ever, plays hapless, hopeless Tom Chance, a man for whom coincidence always spells

disaster, and Brenda Blethyn is his patient girlfriend.

Blood Rains (Radio 4, 8.15pm) is a play by Mike Walker on a familiar, hackneyed theme: the discovery, many years later, of a soldier's wartime misdeeds, in this case during the anti-Communist campaign in Malaya. But it's neatly done, with splendidly atmospheric music and sound effects, and a quietly effective performance by Megumi Shimanuki as a Malayan orphan of the campaign now married to an Englishman, whose memory of a horrific past is unlocked by the sound of a familiar voice at her local bank.

Anne Campbell Dixon



Screen test: Caroline Embling and Nicholas Farrell (BBC2, 9.30)

BBC1

- 6.00 Ceefax AM. 6.30 Breakfast Time. 9.05 Who's a Pretty Girl, Then? The Forty Minutes programme on the six finalists in the 1983 Miss Fears competition. (r) 9.45 News. 10.00 All in the Day. Pamela Armstrong previews the BBC TV's new daytime service. 10.25 Philip Schofield with children's television news and birthday greetings. 10.30 Play School presented by Stuart McGugan with guest, Carol Chell. (r) 10.50 Henry's Cat. (r) 10.55 Five to Eleven. Dora Bryan with a thought for the day. 11.00 Gardeners' World Special with Geoff Hamilton, Susan Hampshire, Clay Jones, and Roy Lancaster. 11.30 Open Air. A viewers' phone-in with comments on yesterday's programmes. Presented by Patsy Coldwell, Bob Wellings and Edmond Holmes. 12.25 Star Camera. Nick Ross asks Su Pollard about her fondest television memories. 1.55 Regional news and weather. 1.00 News with Marilyn Lewis. Weather. 1.25 Neighbours. Part one of a new Australian-made soap, set in a suburb of Melbourne, concerning the Ramsay and Robinson families and their bachelor neighbour, Des. 1.50 Bric-a-Brac. A See-Saw programme for the very young. 2.00 The Clothes Show. This week's programme deals with pre-teens fashion. 2.30 The Oesdia Line. Part one of the drama serial starring Peter Gilmore as schooner captain James Oesdia. (r) 3.20 Valerie. The first of a new comedy series starring Valerie Harper as a hard-pressed mother bringing up three teenage sons and coping with her airline pilot husband who is often away.

BBC2

- 3.50 Pie in the Sky. For the very young. 4.10 Wabbit with Paul Daniels. 4.20 The Mysterious Cities of Gold. Animated adventure series. 4.45 Beat the Teacher. Quiz game presented by Paul Jones. 5.00 Attention! A Newsround. 5.05 Blue Peter examines the latest indoor ski slope. With twice European Freestyle champion, Mike Nesmerov. (Ceefax) 5.35 Mastermind. Quiz game for teens, presented by Angela Rippon. News with Nicholas Witchell and Andrew Harvey. Weather. London Plus presented by John Stapleton, Linda Mitchell and Caroline Righton. 6.00 News with Nicholas Witchell and Andrew Harvey. Weather. 6.35 London Plus presented by John Stapleton, Linda Mitchell and Caroline Righton. 7.00 Wogan. Tonight's guests include Air Garnet creator Johnny Spoght; actress Charlotte Lewis, star of Pirates; and 12-year-old broadcaster Michael Newby who has interviewed President Reagan. Music is supplied by Aul Wiedersheim, Pat's Jimmy Nail. 7.35 Life on Earth. David Attenborough traces the rise of mammals. (r) (Ceefax) 8.30 Brush Strokes. Comedy series about an amorous painter and decorator, this week becoming involved with a runaway novice nun. Starring Karl Howman and Bernadette Short. (Ceefax) 9.00 News with Julia Somerville and Andrew Harvey. Regional news and weather. 9.30 Panorama: The Secrets of Samarra. Robert Harris reports on Iraq's secret mass-production of deadly nerve gas, and on the front company and the Western businessmen who have helped Iraq set up its mass production facilities. 10.10 The Family Way (1986) starring Hayley Mills, Hywel Benn and John Mills. Comedy about a young couple whose married life begins in a series of disasters. Directed by John and Roy Boulting. 12.00 Weather.

BBC 2

- 8.00 Ceefax. 8.30 Daytime on Two: organisations that help the young unemployed. 10.00 For four- and five-year olds. 10.15 Musical sounds made by bells. 10.30 How water reaches the tap and how it is used to drink. 11.00 The story of a young buzzard. 11.25 The year option choices. 11.45 The story of the fortress, Masada. 12.08 Editing the news for television. 12.40 Songs of protest. 1.05 Microcomputing. 1.38 Training for management. 2.00 Words and Pictures. 2.15. Forest management. 2.35 See Hear? For the hearing impaired. (r) 3.00 World Safari. Julian Pentler introduces highlights of last night's celebration of the world's wildlife including a behind-the-scenes look at how the pictures reached our screens. 3.55 Regional news and weather. 4.00 Favourite Things. Beryl Reid talks to Roy Plomley about the things that make her happy. (r) 4.30 The Young Doctors. Medical drama serial set in a large Australian city hospital. 4.00 Tickle on the Tum. Village tales for children. 4.10 The Trap Door. Animated adventures set in a spooky castle. 4.20 He-Man and the Masters of the Universe. Science fiction series. 4.45 Henry's Leg. Drama serial starring Courtney Roper-Knight. (Oracle) 5.15 Blockbusters. General knowledge game for teenagers, presented by Bob Holton. 5.45 News. 6.00 Thames news with Andrew Gardner and John Andrew. 6.25 Help! Viv Taylor Gae with news of a new video produced by the National Rubella Council. 8.05 The Story of English. Part six of the series visits the Sea Islands of Georgia where a quarter of a million people speak a sort of English called Gullah, the language of the slaves. (Ceefax) 8.00 Family Towers. Sybil is extremely upset when she thinks that Basil has forgotten their wedding anniversary. (r) 9.30 The Fools on the Hill, by Jack Rosenthal. A play recalling the early days of the television service about the three months leading up to the first transmission. Starring Nicholas Farrell, Christopher Seymour, Caroline Embling and Nicola King. 10.50 Newsnight 11.35 Weather. 11.40 Telegenial. Chantal Cruz introduces tonight's news from TFI in Paris. Christine Crokran reports on the flux of television. Ends at 12.10.

ITV/LONDON

- 9.25 Thames news headlines. 9.30 For Schools: A fantasy story about kites. 9.47 The story of coal. 9.59 Tony Ross's story, Spaceman. 10.11 Why we need, and how we get, water. 10.28 Designing and selling a product. 10.45 What the Youth Training Scheme has to offer. 11.07 Maths - the number six. 11.19 Keeping cool. 11.41 Fire. 12.08 Songs of protest. 1.05 Microcomputing. 1.38 Training for management. 2.00 Words and Pictures. 2.15. Forest management. 2.35 See Hear? For the hearing impaired. (r) 3.00 World Safari. Julian Pentler introduces highlights of last night's celebration of the world's wildlife including a behind-the-scenes look at how the pictures reached our screens. 3.55 Regional news and weather. 4.00 Favourite Things. Beryl Reid talks to Roy Plomley about the things that make her happy. (r) 4.30 The Young Doctors. Medical drama serial set in a large Australian city hospital. 4.00 Tickle on the Tum. Village tales for children. 4.10 The Trap Door. Animated adventures set in a spooky castle. 4.20 He-Man and the Masters of the Universe. Science fiction series. 4.45 Henry's Leg. Drama serial starring Courtney Roper-Knight. (Oracle) 5.15 Blockbusters. General knowledge game for teenagers, presented by Bob Holton. 5.45 News. 6.00 Thames news with Andrew Gardner and John Andrew. 6.25 Help! Viv Taylor Gae with news of a new video produced by the National Rubella Council. 8.05 The Story of English. Part six of the series visits the Sea Islands of Georgia where a quarter of a million people speak a sort of English called Gullah, the language of the slaves. (Ceefax) 8.00 Family Towers. Sybil is extremely upset when she thinks that Basil has forgotten their wedding anniversary. (r) 9.30 The Fools on the Hill, by Jack Rosenthal. A play recalling the early days of the television service about the three months leading up to the first transmission. Starring Nicholas Farrell, Christopher Seymour, Caroline Embling and Nicola King. 10.50 Newsnight 11.35 Weather. 11.40 Telegenial. Chantal Cruz introduces tonight's news from TFI in Paris. Christine Crokran reports on the flux of television. Ends at 12.10.

ITV/LONDON

- 6.35 Crossroads. Micky has a disastrous dinner with Nicola. 7.00 Krypton Factor. Four contestants contest the Group B final. Among the tests is one involving landing a jumbo jet. (Oracle) 7.30 Coronation Street. Emily has a surprise for Curly. (Oracle) 8.00 Executive Stress. Comedy series starring Penelope Keith and Geoffrey Palmer. 8.30 World in Action. Part two of the investigation into the business affairs of Abdul Samraj who was in debt to JMB to the tune of £22 million when the bank collapsed. The programme raises important questions about the uses and abuses of political patronage in Britain. 9.00 Paradise Postponed. Episode seven and Christmas 1969 is not a happy time in the Simcox household where relatives and friends have filled the home to bursting. (Oracle) 10.00 News at Ten. Weather followed by Thames news headlines. 10.30 Puppets on a Chain (1970) starring Sven-Bertil Tauba. A thriller about Interpol investigating a gang of heroin smugglers. Directed by Geoffrey Reeve. 12.20 A Chorus Line - From Stage to Screen. A behind-the-scenes look at the making of the musical. 12.50 Night Thoughts.

CHANNEL 4

- 2.30 The Late Late Show. Dublin's popular Saturday night music and chat show, presented by Gay By. 3.30 Irish Angle presented by Gordon Burns. The four finalists of the annual competition run by the Industrial Development Board in which the student contestants have to conceive and present a marketing proposal. 4.00 Mavis on 4. Mavis Nicholson talks to fashion designer Katherine Hammett. 4.30 Countdown. The reigning champion is challenged by Dorcen Midgley, a doctor's receptionist from Leeds. Richard Whately asks the questions. 5.00 Gramplan Sheepdog Trials. The third and final heat of the opening round of the Gramplan Television Sheepdog competition, presented by Robbie Shepherd and Bill Merchant. 5.30 Serials Please! Clips from serial films, popular between 1914 and 1929. Among those appearing are Pearl White, Ruth Roland, Warner Oland, and Boris Karloff. 6.00 Print-It-Yourself. The first of four programmes exploring the technical processes involved in photocopying, duplicating, screen-printing posters, and offset into printing. (r) 6.30 Write On. Part three of the series designed to stimulate the lost art of letter writing. Presented by Ruth Pitt with Ian McMillan. 7.00 Channel 4 News with Peter Sissons. 7.50 Comment. With his views on a matter of topical interest is Michael Hopkins, a further education teacher. Weather. 8.00 Brookside. Sheila returns home to find Gill in Damon's bedroom and jumps to the wrong conclusion; Tracy prepares for another modelling interview; and Charlie arrives at Heather's. 8.30 The Million. The first of a new series of the comedy starring Simon Callow as Tom Chance, one of life's losers, and Brenda Blethyn as Alison Little, his long-suffering girlfriend. (Oracle) 9.00 St Elsewhere. Dr Craig is on the warpath, looking for the doctor responsible for an abusive patient's death; and Eliot plucks up enough courage to ask a friend's promiscuous daughter out to dinner. 9.55 4 Minutes: Alphabet, by David Lynch. A girl learning the alphabet begins to have far from innocuous fantasies. 10.00 Oil. The final programme of the series examining the impact of the oil industry on the modern world. 11.00 The Eleventh Hour: Life on the Line. The story of the ferry service which links Newhaven with Dieppe. Ends at 11.55.

VARIATIONS

- BBC1 WALES 5.30pm-6.00 Wales Today. 6.30-7.00 Home Brew. 7.20-7.50 Home Brew. 8.20-8.50 Wales Today. 9.00-9.30 Wales Today. 9.30-10.00 Wales Today. 10.00-10.30 Wales Today. 10.30-11.00 Wales Today. 11.00-11.30 Wales Today. 11.30-12.00 Wales Today. 12.00-12.30 Wales Today. 12.30-1.00 Wales Today. 1.00-1.30 Wales Today. 1.30-2.00 Wales Today. 2.00-2.30 Wales Today. 2.30-3.00 Wales Today. 3.00-3.30 Wales Today. 3.30-4.00 Wales Today. 4.00-4.30 Wales Today. 4.30-5.00 Wales Today. 5.00-5.30 Wales Today. 5.30-6.00 Wales Today. 6.00-6.30 Wales Today. 6.30-7.00 Wales Today. 7.00-7.30 Wales Today. 7.30-8.00 Wales Today. 8.00-8.30 Wales Today. 8.30-9.00 Wales Today. 9.00-9.30 Wales Today. 9.30-10.00 Wales Today. 10.00-10.30 Wales Today. 10.30-11.00 Wales Today. 11.00-11.30 Wales Today. 11.30-12.00 Wales Today. 12.00-12.30 Wales Today. 12.30-1.00 Wales Today. 1.00-1.30 Wales Today. 1.30-2.00 Wales Today. 2.00-2.30 Wales Today. 2.30-3.00 Wales Today. 3.00-3.30 Wales Today. 3.30-4.00 Wales Today. 4.00-4.30 Wales Today. 4.30-5.00 Wales Today. 5.00-5.30 Wales Today. 5.30-6.00 Wales Today. 6.00-6.30 Wales Today. 6.30-7.00 Wales Today. 7.00-7.30 Wales Today. 7.30-8.00 Wales Today. 8.00-8.30 Wales Today. 8.30-9.00 Wales Today. 9.00-9.30 Wales Today. 9.30-10.00 Wales Today. 10.00-10.30 Wales Today. 10.30-11.00 Wales Today. 11.00-11.30 Wales Today. 11.30-12.00 Wales Today. 12.00-12.30 Wales Today. 12.30-1.00 Wales Today. 1.00-1.30 Wales Today. 1.30-2.00 Wales Today. 2.00-2.30 Wales Today. 2.30-3.00 Wales Today. 3.00-3.30 Wales Today. 3.30-4.00 Wales Today. 4.00-4.30 Wales Today. 4.30-5.00 Wales Today. 5.00-5.30 Wales Today. 5.30-6.00 Wales Today. 6.00-6.30 Wales Today. 6.30-7.00 Wales Today. 7.00-7.30 Wales Today. 7.30-8.00 Wales Today. 8.00-8.30 Wales Today. 8.30-9.00 Wales Today. 9.00-9.30 Wales Today. 9.30-10.00 Wales Today. 10.00-10.30 Wales Today. 10.30-11.00 Wales Today. 11.00-11.30 Wales Today. 11.30-12.00 Wales Today. 12.00-12.30 Wales Today. 12.30-1.00 Wales Today. 1.00-1.30 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SPORT

Mansell thwarted but lives to race again

From Brian James
Adelaide
Nigel Mansell yesterday lost, in the most dramatic of circumstances, his opportunity to be the world's motor racing champion.



End of the road: Mansell (left) walks the long and lonely final lap of the season to the pits after his hopes of the title had ended, with his tyre, in shreds (centre). Prost celebrates his double triumph in style (right)



Prost celebrates his double triumph in style (right)

A rear tyre, which did not so much burst as explode, sent the British driver hurtling at nearly 200mph down the fastest straight of the Adelaide circuit. The Williams car, in Mansell's words, "danced away, side to side, right out of control."

His two greatest rivals, Nelson Piquet and Alain Prost, were left to duel over the remaining 17 laps for the title. When his mind settles, Mansell will not be displeased that the laurels went to his closest friend, Prost.

That seems a fair description of the state the race had reached after some 60 tense laps. Mansell, who had started in pole position, had been one of four men to hold the lead at that first, ferociously-driven, lap. Piquet, Senna and Rosberg, who was driving in his farewell to formula one racing, were the others.

By the seventh lap, it was the Finn, Rosberg, who had got his McLaren going most smoothly, and set out on a startling dash towards distant victory. A five-second lead was doubled, and then trebled, before the race was one quarter done. Mansell lurked in fourth place, then, as Piquet spun while dicing with Prost, he was through into third.

That was on the 22nd lap, and from then until his disaster, he was never to be out of the position that would have made him champion.

men out there. Nelson nearly forced me off. And Alain came very, very close at one point. But I didn't have to fight them. I was just sitting there in my place, doing it well, doing all I needed to do."

Such crucial insurance, however, vanished in the 63rd lap when Rosberg's rear tyre stripped and became a black rubber flail as the Finn coasted to a halt. Now Mansell had to do it for himself - but that still required him only to keep going.

One lap later, the 64th, came that terrifying instant of ruptured rubber. Mansell had seen Rosberg's eclipse. His team had even known the reason. They were to say later that they were about to call him in for a tyre change to ensure his finishing. Just as Goodyear, the tyre suppliers, could reveal their earlier recommendation - that teams build a tyre change into their

strategy - altered when Prost, with an earlier puncture, provided evidence that the rubber was holding up well.

All of that is inquest, and can only help the future, not Mansell's current gloom. "Now my wife and I are going to get to know one another again. We'll bounce back, but we need a bit of time and space to breathe. We have given up a lot in terms of companionship, time without the children. And for it all to end just 20 laps premature is hard to swallow just at this moment."

The part about bouncing back you should believe, just as you should appreciate the part Mrs Mansell will play in that operation. Amid that gallery of adoring wives, their

own and other people's, that adorn drivers' arms along the pit lane, Rosanne stands out. She is a pleasant lady with a taste for undramatic clothes.

What cannot be taken from Mansell at the end of his incredible 12 months - it is, after all, only the anniversary of his first grand prix victory - is the new regard he has wrung from some in his sport previously prepared to grant him scant credit. They agreed he was brave and determined, and a good engineer. Now more will accept that his often startling speed on the circuits of the 1986 championship 'came because of his mastery of touch, a feel for the front end of a hurtling race car which enables him to have so swift and smooth a line

maximum speed - and I think his coolness in handling the situation was typical of the way he has been performing throughout this season."

Looking ahead to 1987, Williams does not seem particularly concerned that the JPS Lotus team will also be using Honda engines. "We are confident we can match them and beat them, and if anything I think we must look towards the McLaren-Porsche (TAG) team for our most serious challenge."

swiftly into the top ten and drove a dashing and efficient race before running out of fuel, still coasting over the line in fourth place. And the Earl of Durnfries, whose last drive for the Lotus team was given a send-off by a pit team attired in kilts, repaid their enthusiasm by taking sixth place.

Adelaide details
82 laps, (303.56 km):
1, A Prost (Fr), McLaren, 1hr 56min 20.268sec (average speed 182.800mph);
2, N Piquet (Br), Williams, 1:54:24.545;
3, S Johansson (Swe), Ferrari, 1:53:28.591;
4, M Gougeon (GB), Tyrrell, 1:53:46.522;
5, P Senna (Br), Tyrrell, 1:54:02.625;
6, J Rosberg (GB), Lotus, 1:54:08.12;
7, R Arnoux (Fr), Liger, 1:54:36.126;
8, P Alliot (Fr), Liger, 1:55:40.216;
9, J P. Jaeger (Fr), Renault, 1:55:52.011;
10, T Fabi (It), Benetton, 1:55:26.037;
11, M. Nannini (It), Benetton, 1:56:03.12;
12, M. Scheckter (SA), Williams, 1:56:11.119;
13, R. Barrichello (Br), Williams, 1:56:22.553;
14, R. Barrichello (Br), Williams, 1:56:22.553;
15, A. G. Jones (NZ), Williams, 1:56:22.553;
16, D. Warwick (GB), Williams, 1:56:22.553;
17, C. Darnley (WAL), Williams, 1:56:22.553;
18, A. G. Jones (NZ), Williams, 1:56:22.553;
19, A. G. Jones (NZ), Williams, 1:56:22.553;
20, A. G. Jones (NZ), Williams, 1:56:22.553.

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6, J Rosberg (GB), Lotus, 1:54:08.12;
7, R Arnoux (Fr), Liger, 1:54:36.126;
8, P Alliot (Fr), Liger, 1:55:40.216;
9, J P. Jaeger (Fr), Renault, 1:55:52.011;
10, T Fabi (It), Benetton, 1:55:26.037;
11, M. Nannini (It), Benetton, 1:56:03.12;
12, M. Scheckter (SA), Williams, 1:56:11.119;
13, R. Barrichello (Br), Williams, 1:56:22.553;
14, R. Barrichello (Br), Williams, 1:56:22.553;
15, A. G. Jones (NZ), Williams, 1:56:22.553;
16, D. Warwick (GB), Williams, 1:56:22.553;
17, C. Darnley (WAL), Williams, 1:56:22.553;
18, A. G. Jones (NZ), Williams, 1:56:22.553;
19, A. G. Jones (NZ), Williams, 1:56:22.553;
20, A. G. Jones (NZ), Williams, 1:56:22.553.

Adelaide details
82 laps, (303.56 km):
1, A Prost (Fr), McLaren, 1hr 56min 20.268sec (average speed 182.800mph);
2, N Piquet (Br), Williams, 1:54:24.545;
3, S Johansson (Swe), Ferrari, 1:53:28.591;
4, M Gougeon (GB), Tyrrell, 1:53:46.522;
5, P Senna (Br), Tyrrell, 1:54:02.625;
6, J Rosberg (GB), Lotus, 1:54:08.12;
7, R Arnoux (Fr), Liger, 1:54:36.126;
8, P Alliot (Fr), Liger, 1:55:40.216;
9, J P. Jaeger (Fr), Renault, 1:55:52.011;
10, T Fabi (It), Benetton, 1:55:26.037;
11, M. Nannini (It), Benetton, 1:56:03.12;
12, M. Scheckter (SA), Williams, 1:56:11.119;
13, R. Barrichello (Br), Williams, 1:56:22.553;
14, R. Barrichello (Br), Williams, 1:56:22.553;
15, A. G. Jones (NZ), Williams, 1:56:22.553;
16, D. Warwick (GB), Williams, 1:56:22.553;
17, C. Darnley (WAL), Williams, 1:56:22.553;
18, A. G. Jones (NZ), Williams, 1:56:22.553;
19, A. G. Jones (NZ), Williams, 1:56:22.553;
20, A. G. Jones (NZ), Williams, 1:56:22.553.

Williams praises Mansell

Frank Williams, the owner of the Williams team, who watched the Australian Grand Prix from the BBC Television studio in London, was full of praise for Nigel Mansell (John Blunsden writes).

"I feel desperately sorry for Nigel after such a marvellous season. I must say that I had not expected him to prove so competitive so quickly. He has matured most impressively, both in his driving and in the manner in which he has been able to cope with the pressures of success.

Of the tyre failure, Williams commented: "It was just one of those completely unexpected things, and you have to be prepared for something like that to happen. Fortunately, Nigel was able to handle the situation with considerable skill - he was really tramping on at the time, close to

maximum speed - and I think his coolness in handling the situation was typical of the way he has been performing throughout this season."

Looking ahead to 1987, Williams does not seem particularly concerned that the JPS Lotus team will also be using Honda engines. "We are confident we can match them and beat them, and if anything I think we must look towards the McLaren-Porsche (TAG) team for our most serious challenge."

JUDO

Briggs' third world title

Maastricht - The fastest stomach throw ever made in the glittering career of the world bantamweight champion, Karen Briggs, brought her a third world title in a row at the women's world judo championships here yesterday (Nicolas Soames writes).

RESULTS: Bantamweight (under 48kg): K Briggs (GB) gold, F Esape (Ari) silver. Open weight: Berginara (Sov) gold, C Li (Ch) silver. Superweight (over 81kg): K Briggs (GB) gold, B Bron (Fr) gold, K Yamashita (Jpn) silver, S Herd (GB) bronze. Lightweight (under 57kg): A Hughes (GB) gold, M Gonsouler (Frd) silver, Light middleweight (under 51kg): D Bell (GB) gold, G Garsud (Fr) silver.

IN 90 SECONDS, 100,000 EL SALVADORIANS BECAME HOMELESS. IN 8 DAYS, 56 MILLION BRITONS FORGOT ABOUT IT.

After little more than a week the media has stopped reporting the El Salvador earthquake disaster. Unfortunately that does not mean it's gone away. The Red Cross desperately needs money to help feed and provide shelter for those 100,000 men, women and children.

Form for Red Cross appeal with fields for name, address, and signature.

ATHLETICS

Spedding is top Briton

From Pat Butcher Athletics Correspondent Chicago

Toshihiko Seko and Ingrid Kristiansen repeated their spring marathon wins in London and Boston respectively when they took the \$40,000 first prizes in Chicago on a cool but humid morning yesterday. But British runners had a good measure of success with Charlie Spedding and Priscilla Welch finishing third.

Spedding was specially pleased after his first marathon failure during the summer when he dropped out of the Commonwealth race in Edinburgh of 19 miles. And his effort to reestablish himself here paid handsome dividends. For after a steady start ignoring the breakaway leaders, Spedding ran through to third in two hours 10 minutes 13 seconds, the fastest by a Briton this year, and netted himself \$20,000 plus a big appearance fee into the bargain.

Seko, who won in 2:08.27, a personal best, and Ahmed Saleh of Djibouti, who was second in 2:09.57, were in the lead group of eight who broke away right from the start.

City spirit is cause for hope

By Peter Ball Manchester City.....1 Manchester United.....1

The two Manchester clubs are still in the bottom four in the first division. The 109th derby, watched by 32,440, the lowest attendance in the history of the match, ended like 38 of its predecessors, in a draw which offers little breathing space to either side.

Although by the close, United were the more likely winners, City probably drew the greater satisfaction from the result, which lifts them out of bottom place on goal difference, and certainly from the performance. Their hastily assembled squad, with the sweeper, Redmond, pressed into service as a forward, Gidman and Grellish making their debuts and Varadi his first home appearance, gave United not a moment's respite. Grellish emerged as the dominant player in the first hour, while Varadi's pace gave the United back four some worrying moments.

The ravages of television could be seen in the empty spaces, a sad sight in a Manchester derby which usually attracts a full, committed but good-humoured crowd. Fortunately, however, the game throbbed with intensity to keep the crowd who were

present in full voice throughout, even if for the most part it was the fierceness of the challenges rather than flowing football which produced the excitement.

Once they had overcome their initial nervousness, City hustled United into a series of errors to have the better of the first half. Grellish brought a new bite and drive to their midfield and he was at the heart of things as City took control of that vital area, where Moses was peripheral and even Robson was initially subdued.

Grellish left no doubt as to his intentions as City enjoyed their best spell in the middle of the first period. After moving up to drive McNab's free kick close enough to have United hearts stopping briefly, he launched into a fierce tackle on Whiteside to begin a move which ended with Varadi's shot just beating Turner's right hand post to give City further encouragement.

His next tackle, again upending Whiteside, brought him a booking, but his enthusiasm had evoked a response from his colleagues. McNab was harassing Robson unmercifully and he was at the heart of several moves as City took the game to their opponents. The best move, however,

came to nothing. Redmond cleverly beat McGrath on the half way line to set White free, but Turner saved at Varadi's feet and with Robson at last moving forward dangerously as half-time approached, United were achieving equality.

When they scored a minute after the break, Stapleton glancing home Barnes' free kick, it seemed likely that class would begin to tell. City's spirit, however, was unquenchable and they were level four minutes later. Turner again came to his team's rescue to save at full stretch as Redmond shrugged aside Moses, but the resulting corner led to McNab's deep cross irresistibly past Turner.

Grellish, whose fitness had been in doubt before the start, departed 13 minutes later to a standing ovation and Whiteside, who had been booked moments earlier, took advantage of his departure to impose his influence. One header flew over the bar and a shot was parried by Suckling as City drew deep on their reserves to hold out. They undoubtedly deserved to

MANCHESTER CITY: P. Suckling; J. Gidman, G. Watson, K. Gernsart, M. McCarthy, G. Redmond, D. White, M. McNab, I. Varadi, A. Grellish (sub: J. Shelton), P. Simpson. MANCHESTER UNITED: C. Turner; J. Swales, A. Alliston, N. Whissada, P. McGrath, G. Hogg, B. Robson, R. Moses, F. Stapleton, P. Newson, P. Barnes. Referee: D. Scott.

FOOTBALL

Dismissal mars a thriller

By Hugh Taylor Celtic.....1 Rangers.....2

A Skol Cup final which could have become a classic ended in disgrace at Hampden Park yesterday when Celtic's Johnstone was dismissed in an off-the-ball incident with Rangers' Munro.

With the score at 1-1 and nothing between the teams, Rangers were awarded a penalty six minutes from time when referee David Syme decided that Celtic's Aitken had downed Butcher.

The Celts protested bitterly, but in vain, and Cooperscored from the spot.

Aitken left a huge hole in the Celtic defence chasing Butcher as a free kick taken by Fraser scored over in the 62nd minute. The alert Durant took full advantage, opening the scoring with a fine, low shot. McClair equalized with a memorable shot.

CELTIK: P. Bonner, P. Grant, M. MacLeod, F. Aitken, D. Whyte, J. McSheehy (sub: J. Archibald), B. McClair, P. McStay, M. Johnston, A. Shepherd, A. McNair. RANGERS: C. Woods, J. Mitchell, M. Munro, C. Fraser (sub: D. McFarlane), A. Davidson, B. Hughes, D. Ferguson, K. McClain, A. McCann (sub: F. Field), I. Durant, D. Cooper.

SPORT IN BRIEF

Sorry Surrey

John Emburey, the England and Middlesex vice-captain, will not join Surrey in succession to Pat Pocock, who has retired as the county's captain. Emburey said in Brisbane yesterday: "My contract with Middlesex has ended. But I'm waiting to see a new one and I definitely will not be going to Surrey."

Record goes

Joanne Drewitt broke Sharon Davies' 10-year-old 400m individual medley record at the Hewlett-Packard English schools championships in Newcastle yesterday with 3min 20.94sec - 0.16 inside Davies' mark.

On top of heap

Darryl Webster won the national hill climb cycling championship for a record fourth consecutive season at Riber Castle, near Matlock, yesterday in a record 4min 48.8sec for a one mile 449-yard course. Webster won his 12th title by six seconds from Steve Marchant, of London.

Becker power

Boris Becker, the West German Wimbledon champion, over-powered Stefan Edberg 7-6, 6-1 to win the Super Seiko tennis tournament in Tokyo last night after the Swede, who beat Ivan Lendl, the world No 1, 7-5, 6-1 in the semi-finals, seemed to be drained after losing the first set tie-break 7-5. In the other semi-final, Becker was taken to three sets by Jimmy Connors.

CRICKET

Faint hope given by Foster revival

From a Correspondent Brisbane

England did enough yesterday to save face without giving themselves more than an outside chance of avoiding defeat on the penultimate day of their opening first-class fixture by close of play Queensland at 58 for two, were within 106 of following their 171-run victory over Wales's side four years ago with another potentially as damaging.

In addition, it was a good day for the touring side. To reach 339 after losing five wickets for 99 represented a brave recovery. However, the pleasure of watching Lamb and Botham pull the England innings round with a stand of 122 at almost seven runs an over was tempered by regret that by the time they came together it was probably too late to turn the game.

Botham needed only 67 balls to make his 86, but with the exception of his third ball, when he made room to force an off-break square on the off-side without contact, and his

Table with cricket scores: ENGLAND 35: First innings 135 (D Toplever 4 for 34). Second innings: B G Broad b McDermott 19, W G Stace b Henschel 18, B N French c Kerr b McDermott 17, D Gower c Kerr b Frae 17, A G Lamb b McDermott 18, M W Gatting b Henschel 13, I T Botham c McDermott b Tazelaar 16, S G Trumble b McDermott 11, P A J DeFreitas b Hill 22, A A Foster not out 74, G C Small c Gonsouler b Hill 24, Extras (D 5, W 1, NB 18) 22. Total 339.

FALL OF WICKETS: 1-4, 2-47, 3-47, 4-59, 5-62, 6-71, 7-71, 8-71, 9-84, 10-89, 11-89, 12-89, 13-89, 14-101, 15-101, 16-101, 17-101, 18-101, 19-101, 20-101. QUEENSLAND: First innings 211 for 7 dec (R B Kerr 95, B A Cournot 70). Second innings: R B Kerr c Small b Botham 18, B A Cournot not out 18, G S Trumble hit wicket b Botham 17, A A Foster not out 74, Extras (D 5, W 1, NB 18) 22. Total 339.

FALL OF WICKETS: 1-18, 2-38, 3-59, 4-59, 5-59, 6-59, 7-59, 8-59, 9-59, 10-59, 11-59, 12-59, 13-59, 14-59, 15-59, 16-59, 17-59, 18-59, 19-59, 20-59.

Umpires: M Johnson and C Thomas.

Foster's 74 not out was his highest first-class score. Tazelaar troubled him in his first 20 minutes, but against the spin of Hill and Henschel, he batted with a composure that must have made useful watching for his betters. He helped put on 108 for the last two wickets.

Lamb, painfully struck on his left big toe shortly before lunch, batted with a gutter running for him in the afternoon. He was bowled between bat and pad failing to detect McDermott's slower ball.

When Emburey played the next ball into his stumps, and 15 minutes later Botham tried to hook a bouncer from Tazelaar, England had lost three wickets for 10 runs.

In the opening 40 minutes, when Broad, French and Gower were dismissed in quick succession, it had looked all but a formality. Broad played across McDermott and was bowled, and French was well-caught by Kerr in the gully. Gower, as sadly loose as in the first innings, tried to cut a ball from Frei not far short of a good length, and Kerr took an even better catch boot-high in the position he caught French.

Gatting put on 49 with Lamb, but was bowled by an off-stump full-length arm-ball from Henschel. When Queensland batted, Kerr square cutting was superbly caught by Stace, and Botham took a second wicket when a Trumble mishooking a bouncer over English's head, knocked a ball off with his foot.

Large advertisement for 'Cabi over beach' featuring a woman's face and a beach scene.